

Capitalizing on the Evolution of Waste

By Kathryn L. Hersey, Investment Analyst, 617-441-1563

“Oh, I Love Trash!

Anything dirty or dingy or dusty!

Anything ragged or rotten or rusty!

Yes, I Love, I Love, I...Love Traaaaaaaaasssssh!”

While the majority of us may not share the enthusiasm that Oscar the Grouch expresses in his “I Love Trash” song that debuted in Sesame Street’s first season, we must remember that aspects of society that are underappreciated frequently hold significant value. Aligning this framework toward an investment perspective, when we consider the waste management industry, we note that its landscape has shifted dramatically over the last twenty-five years. The industry is embarking upon new changes due to growth in other industries, such as energy production, which will continue to propel it forward.

In 1985, 10% of municipal solid waste was recovered, according to the Environmental Protection Agency (EPA), as opposed to 34% today.ⁱ The number of active landfills in the United States has decreased from approximately 8,000 in 1988 to approximately 2,000 today.ⁱⁱ The United States is generating more waste, yet less of it is being sent to landfills.

These types of structural changes create opportunities. Waste will continue to be generated, yet methods to dispose of waste will continue to evolve. In this edition of the TrustLetter, we will discuss material factors that have impacted the waste management industry historically, and describe some emerging trends that we are following.

Current Landscape

In 2010, 250 million tons of municipal solid waste were generated in the United States and 85 million tons were either recycled or composted. On average, individuals generated 4.4 pounds of waste daily and recycled 1.5 pounds. Of the most commonly recycled materials, auto batteries led the way at 96%, followed by corrugated boxes at 85%, newspapers/mechanical papers at 72%, steel cans at 67%, and yard trimmings at 58%. The diverted trash from landfills effectively reduced greenhouse gas emissions as much as removing 36 million cars from the road. These figures illustrate two key, albeit unsurprising, takeaways: 1. The environmental benefit of recycling impacts demand for recycling services, and 2. Regulation, as seen through the high percentage of auto batteries recycled, contributes to higher recycling rates and drives business interest in the sector.

Environmental Impact of Recycling

Disposal of waste increases greenhouse gas emissions in the following ways: 1. Decomposing waste in landfills emits methane, which is significantly more potent than carbon monoxide; 2. Incinerating waste produces carbon dioxide; 3. Transporting waste results in the production of greenhouse gases as fossil fuels are combusted; and 4. Processing raw materials to replace goods lost through waste results in an increase in fossil fuels. According to the EPA, producing goods from recycled materials rather than virgin materials requires less energy. Diverting waste results in less pollution,

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fewer capacity issues at landfills, and more unharvested trees to absorb carbon dioxide. All of these factors are positive for the environment.ⁱⁱⁱ

Policy and Economics Associated with Recycling

Despite the environmental benefits, recycling activity is largely correlated to geography and is driven by a number of underlying factors, including legislation and economics. Lower landfill fees reduce the economic incentives to divert waste. In general, Middle America recycles much less than the eastern and western United States. For example, in the Northeast, 85% of the population is served by curbside recyclable programs, compared with only 55% in the Midwest. On an individual state basis, recycling rates vary tremendously; in Massachusetts, 46% of all waste generated is recycled, as opposed to 6% in Colorado or Wyoming.^{iv v}

Recycling legislation primarily exists at the state and local level. Forty-three states ban lead-acid batteries from landfills, which drives the high rate of batteries recycled nationwide. Fifty percent of states ban yard trimmings from landfills. Ten states operate bottle deposit programs. San Francisco's Mandatory Recycling and Composting Ordinance, enacted in 2009, requires citizens to recycle or compost and issues fines for non-compliance; the city currently reports a compliance rate of 77%, the highest in the nation. San Francisco's push has not been immune from controversy. The city's exclusive recycling and garbage collector, locally-based Recology, was accused of inflating recyclable material weights to increase revenue from diversion incentive fees paid by the State of California.^{vi} Recology's relationship with San Francisco has existed for 80 years. In fact, Recology has never been required to undertake a competitive bidding process for any of its acquired permits based on the scope of San Francisco's 1932 Refuse Collection and Disposal Ordinance, and a June 2012 ballot measure to open the agreement to competitive bidding failed.^{vii} This monopolistic practice has resulted in higher fees, according to San Francisco's Budget and Legislative analysis, which concluded that the city's "rates are up to 50 percent higher than the average of the other 37 jurisdictions in the Bay Area which receive equivalent services."^{viii} Despite the higher fees, citizens voted overwhelmingly to keep the agreement in place, largely due to satisfaction with the service that Recology provides.

The public and private sectors grapple with developing policies and programs to appropriately balance economic and

social impact in regard to recycling. In certain cases, and more frequently, significant alignment exists between the two. For example, a March 2012 report partially funded by the Massachusetts Department of Environmental Protection, "Recycling and Jobs in Massachusetts: A Study of Current and Future Workforce Needs," discussed that the 2,000 recycling businesses in Massachusetts support a payroll of approximately \$500 million annually, employing 14,000 people. The associated study found that the private sector is expected to grow recycling jobs by 15% over the next two years.

The recycling industry itself is broad and diversified. Massachusetts established the first Morgan Memorial Goodwill Industries in 1895, which innovates in its "reduce-reuse-repurpose" model and provides job training services in its processes. Waste Management (WM), currently in our Equity Income portfolio, is the largest recycling company in North America. The company has transformed its recycling initiatives by introducing efficiencies in its processes and enhanced its revenue generation capabilities by repackaging recyclables to sell in the commodity market. One of the most significant efficiencies offered by Waste Management relates to single stream recycling, where users place all of their recyclable materials in a single bin for collection. Materials are brought to a facility where they are loaded on a conveyor belt which carries the recyclables through a series of stages to sort the material by composite for eventual resale. For example, cardboard will be pushed to a separate belt which eventually directs the material to a storage facility for baling. Once baled, the material is resold primarily to paper mills. Magnets remove steel cans and a magnetic field propels aluminum cans into a storage process for baling for resale to steel and aluminum plants.

Cambridge, MA reports that once single stream recycling was introduced by their vendor, Casella, recycling increased by up to 20% in certain weeks.^{ix} Single stream recycling makes the process more efficient for both users and waste management companies once the investment in the technology has been made. By offering single stream recycling services, waste companies differentiate themselves in the selling process to municipalities seeking to grow their sustainability efforts.

By packaging and reselling materials to mills or other buyers, waste companies have developed an additional source of revenue which makes the recycling process more economical for the companies themselves and for municipalities wishing to participate. However, the growth of commodity sales has

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introduced more variability into the income statements of these companies. For example, in the first quarter 2012 earnings call Waste Management reported that average recycling commodity prices were 20% lower compared to the prior year. These headwinds impact earnings growth and in certain cases can lead to companies missing guidance targets, adversely influencing stock prices. In 2012, Waste Management estimates that lower commodity prices will negatively impact their earnings per share by 2-3% compared with 2011. Recycling is a lower margin business than the traditional waste collection and disposal business, which introduces another challenge for waste companies.

Despite the challenges, the benefits of investing in such technologies to extract value from the waste stream are clear. The return on capital from recycling is over 5% higher than the return from traditional waste investments, driving more value into the business. Customers continuously seek new ways to manage their sustainability efforts, which we believe puts companies that have invested more heavily in recycling assets, like Waste Management, in a stronger position than companies that have stayed with their core fabric. Waste Management's top competitor, Republic Services, has entered the recycling market more selectively and invested less in recycling assets, whereas Waste Management has invested considerably in capital expenditures to develop new recycling plants. A single-stream recycling facility costs approximately \$20 million to build. Waste Management typically invests \$100 million annually on recycling-related capital investments.^x

Waste Management services customers across a broad spectrum of industries. For example, the company recently won major contracts with the City of Philadelphia and Home Depot, both of whom sought capabilities to handle major sustainability initiatives while also satisfying their more traditional waste needs. Waste Management has produced a robust and stable free cash flow, enabling the company to pay a high dividend at over 4%, more than double the ten-year Treasury rate.

Growth Opportunities

North American Energy Production

Credit Suisse recently held an Industrial & Environmental Services Conference that was dominated by the major waste public companies, including Waste Management, Republic Services, Waste Connections, and Clean Harbors. While

energy has historically been synonymous with the waste industry, it was striking how the majority of companies stressed new types of energy-related initiatives as being critical to their growth objectives. One of the more conventional ways that waste management companies have participated in the energy business is via waste-to-energy. Since 1970, Wheelabrator, a Waste Management subsidiary that is headquartered in Hampton, NH, has invested heavily in waste-to-energy facilities. Waste-to-energy plants divert material from landfills by converting waste into clean and renewable electrical power. "Mass burn" technology works by heating waste to temperatures exceeding 2,500 degrees Fahrenheit. According to Waste Management, the company generates enough electricity to power one million homes by converting over 25,000 tons of waste into energy daily and the company plans to double that production by 2020.^{xi}

Over the last year, Waste Management has signaled their presence in the Marcellus shale region as being an emerging component of their growth initiatives. During the 2012 first quarter earnings call, Waste Management indicated that they expect to bring in more than \$100 million in revenue in 2012 through that business alone. Their oilfield services segment did not exist two years ago. It highlights significant opportunities for tangential companies capable of participating in the growth of the domestic energy industry. We discussed this market in depth in the previous TrustLetter article, "Horizontal Drilling and Hydraulic Fracturing – Is This the Cure to our Energy Dependency?" For waste companies, drilling results in a need for solid and liquid waste disposal. More compelling from an investment perspective is that Waste Management was able to establish its business in this area because of its vast geographical footprint. The company long had a landfill in the Pennsylvania region which performed well enough to keep the asset, but did not exceed expectations. The local specialized sales force began to notice extra volume trickling into the landfill, which triggered recognition of the opportunity to expand its business via the solid waste cuttings that drilling produces. Follow-up conversations with management at the energy companies opened a discussion about their needs to manage water disposal, which led Waste Management to develop solutions to bundle water and solid waste services. Because of Waste Management's extensive capabilities and diverse geographic assets, they were able to establish a presence in the energy industry. While this high margin business started in the Eastern part of the country for Waste Management, the

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Naming a Trust as Your IRA Beneficiary?

A Tug of War

By William M. Yates, Vice President, 617-503-4041

This article provides a basic understanding of the use of Revocable Living Trusts to handle post-death distributions from IRAs. The issues discussed should be of particular interest if you, like so many of our clients, have accumulated substantial amounts in a qualified retirement plan such as a 401(k) or 403(b) or in an IRA. Developing an estate plan that preserves these valuable assets as a lasting legacy for your heirs while at the same time minimizing taxes can become a complicated tug of war. Based on our experience in serving successful business people, university professors, secondary school educators, hospital and research professionals, and others, Cambridge Trust Company is well-prepared to work with you and your other advisors to develop a solution for your particular circumstances.

One objective of a comprehensive estate plan is to protect and manage wealth, both during your own life as well as for the benefit of others after your death. That is why wealthy individuals typically spend thousands of dollars in professional fees to have estate plans designed that include wills and trusts to achieve the most effective management and disposition of essentially all of their assets.

Surprisingly, however, many people allow the disposition of their retirement plans to be governed by boilerplate custodial agreements and beneficiary designation forms that can run counter to what they want to achieve through their wills and trusts.

Retirement accounts are not designed to serve as wealth transfer vehicles. They were created by Congress to encourage retirement savings and lessen the burden on the Social Security system. The intent of retirement savings is to use them all for your support during your lifetime.

However, if you have accumulated a substantial amount of retirement assets over the course of ten, twenty, or thirty years of employment, it is quite possible that there will still be a sizeable amount of money remaining when you die.

What Becomes of Your IRA After Your Death?

In accordance with the typical custodial agreement that governs your IRA, distributions are made after your death to the beneficiary(ies) you designate. You can designate what proportion of your IRA each beneficiary will receive and what

will happen to any beneficiary's share if they should not survive you. If you fail to designate any beneficiaries, or if none that you have designated survives you, the IRA becomes distributable to your estate and must be taken within a five year period or the participant's life expectancy.

Keep in mind that if you or any other beneficiary of your IRA fail to take a Minimum Required Distribution (MRD) in a given year, as discussed below, the IRS will impose a penalty equal to 50% of the amount not withdrawn.

What people often fail to realize is that naming beneficiaries to receive distributions directly from your IRA can subject that money to potential claims of their creditors or frivolous lawsuits and/or inclusion in settlement negotiations in a divorce proceeding. Creditor protection varies by state so it is important to review your state law with your attorney. Also, a designated beneficiary can withdraw his/her entire share of an IRA inherited from you and squander it all. It is for these very reasons that wealthy individuals leave inheritances in trust for their heirs as opposed to outright bequests.

When Can It Make Sense To Designate a Trust to Receive Your IRA Distributions?

Reasons for designating a trust to receive your IRA distributions can be essentially the same as the reasons for designating a trust to manage all of your other assets. For example:

- **You Have Children from a Prior Marriage.** If you have children from a prior marriage and leave your IRA outright to your surviving spouse, you may want to assure that the balance of your IRA, after your spouse's death, is distributed to your children by your prior marriage and not to the children of your second spouse. A trust can be designed to receive IRA distributions that gives your surviving spouse a lifetime income stream and then distributes the remaining IRA balance to your own children.
- **Your IRA Beneficiary Lacks Money Management Skills.** Your beneficiary(ies) may not have enough time or necessary expertise for managing a sizeable investment fund. In addition, they may not realize the complex

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factors involved when choosing how to receive an Inherited IRA. This could result in their losing tax advantages by not stretching payments over a longer period of time –or becoming subject to large tax penalties by failing to take distributions on time.

- **You Want to Protect Your Beneficiary's Inheritance from Frivolous Lawsuits and Ex-Spouses.** Inheritance left outright to anyone is available to a judgment creditor after a successful lawsuit. This can be very important if any one of your beneficiaries works in a high risk profession. In addition, if a beneficiary gets divorced, an Inherited IRA may be treated as joint property that is available for the ex-spouse during settlement negotiations. A trust can be designed to protect your IRA from judgments and put your beneficiaries in a better settlement negotiating position.

These are just a few of the possible reasons for designating a trust to receive IRA distributions on behalf of your beneficiaries. They represent the dispositive perspective of estate planning that we encourage clients to consider in conjunction with the potential tax consequences.

Taxation of IRA Distributions

Achieving maximum tax efficiency for IRA distributions through a trust requires an understanding of a variety of terms and complex rules pertaining to the taxation of IRA distributions. Among these are:

- Required Beginning Date (RBD)
- Minimum Required Distribution (MRD)
- Lump Sum Payment
- Payout over Participant's Life Expectancy
- Five Year Rule
- Stretch Option
- "Look Through" Treatment

Required Beginning Date (RBD) and Minimum Required Distribution (MRD)

Although there are significant income tax incentives for contributing to retirement accounts while you are working, Congress does not provide this tax break for free. At some point in the future, whether you need the funds or not, IRS rules require you to withdraw money from your IRA. The

withdrawals will be includable in your taxable income and taxed accordingly.

The point at which you will be required to begin taking withdrawals is referred to as the Required Beginning Date (RBD), and the amount you must withdraw each year is referred to as the Minimum Required Distribution (MRD).

- The Required Beginning Date (RBD) for taking withdrawals from your IRA is age 70 ½.
- The amounts that must be withdrawn each year are based on a life expectancy calculation for the beneficiary of the particular IRA. Before your death, the MRD is determined by dividing the value of your retirement accounts by a factor contained in an IRS tax table that estimates your life expectancy. When you are age 70 ½, the divisor of 27.4 results in an MRD equal to approximately 3.65% of the value of your retirement assets. The divisor declines each year thereafter, resulting in MRDs that are larger and a greater percentage of your retirement assets.

Rules pertaining to RBD and MRDs essentially help the government recoup tax revenue that it had foregone through tax deductions for contributions to your retirement and deferred taxes on the earnings and capital growth of your retirement assets.

How Are MRDs Determined After Your Death?

Payouts to or for the Benefit of a Surviving Spouse – If you designate your spouse as the beneficiary, the MRDs are calculated using a different and more favorable IRS tax table and are smaller than they would be for a similar age non-spouse beneficiary. In addition, the spouse's life expectancy is recalculated each year so that MRDs increase at a slower pace than they would for a non-spouse beneficiary.

Payouts to or for the Benefit of Non-Spouse Recipients – If your IRA beneficiary is someone other than your spouse, there are several possible outcomes:

Lump Sum Payment. Here the entire IRA is distributed all at once and is includable in the recipient's taxable income for the year received if the beneficiary chooses this payout method. If your IRA is sizeable, the tax consequences can be seriously adverse because the payment is taxed as ordinary income.

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Payout over Participant's Life Expectancy. Here the MRDs are calculated based on the life expectancy of the IRA owner. If there is a significant age difference between the participant and the beneficiary, the tax consequences can be adverse.

Five Year Rule. Maximum tax efficiency is limited by the IRS requirement that the entire IRA be distributed by December 31st of the year containing the fifth anniversary of the IRA owner's death. As in the case of lump sum payments, if your IRA is sizeable, the tax consequences for the recipient can be seriously adverse.

Stretch Option. Maximum tax efficiency can be achieved through stretch options which allow MRDs to be calculated based on the age of your beneficiary(ies). Where your only beneficiary is young, the initial MRDs can be quite small and the tax advantages quite big. Each year as your beneficiary gets older, the MRD will increase. Although MRDs received in this manner will be includable in the beneficiary's taxable income, the tax bite can be significantly less than if the distributions were received as a lump sum, over the participant's life expectancy or under the Five Year Rule.

How Are MRDs Determined if Paid to Your Beneficiaries Through a Trust?

When you designate your trust to receive distributions from your IRA, and if your trust qualifies for "look through" treatment under IRS regulations, MRDs are calculated based on the age of the "designated beneficiary" who has the shortest life expectancy. For example, if you have three children and your trust includes all three of them as beneficiaries, MRDs will be determined with reference to the age of the eldest of the three. This can penalize the younger beneficiaries of a single trust that has multiple beneficiaries.

IRS Requirements for a Trust to Qualify for "Look Through" Treatment in Order to "Stretch" Distributions

- The trust must be a valid trust under state law
- The trust must be irrevocable at death
- The beneficiaries of the trust must be identifiable

- The beneficiaries of the trust are individuals, for example, a trust with a charitable beneficiary will not qualify
- A copy of the trust document must be provided to the IRA administrator by October 31 of the year following the year of the IRA owner's death

If these requirements are met, then the trust qualifies as a designated IRA beneficiary, and the trust beneficiary's life expectancy can be used to calculate post-death required minimum distributions. If the trust fails to qualify, then there is no designated beneficiary and trust beneficiaries will not be able to stretch post-death required distributions over their life expectancy. In that case, the IRA will be paid out either under the 5-year rule (if the IRA owner dies before his Required Beginning Date) or over the remaining life expectancy of the deceased IRA owner (if the IRA owner dies after his Required Beginning Date).

What Happens When IRA Distributions Are Accumulated in a Trust?

There are instances - for example, where your IRA is sizeable and your beneficiary is a minor - when you may want your trustee to accumulate a portion or all of the distributions from your IRA and to invest that money for your beneficiary's future. Distributions accumulated in the trust will be taxable to the trust, itself, usually at a rate that is higher than the rate for individuals. The trade off to the higher tax rate is the ability of your trustee(s), through your trust, to direct how your IRA distributions will be invested and applied for the benefit of a young beneficiary - or even successor beneficiaries and remainder interests. In addition, amounts accumulated in your trust can escape taxation in the estates of your beneficiaries.

A Word of Caution When Designating Your Trust to Receive IRA Distributions

Revocable Living Trusts are often drafted without the necessary precision to avoid problems that can arise when they are designated to receive IRA distributions. For example:

- If your trustee, after your death, has the power to accumulate distributions in the trust, the payouts would be accelerated.

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company expects to grow the business throughout the country with planned expansion in the Utica Shale, the Eagle Ford Shale, and the Bakken.^{xii}

Another company that is well positioned and capitalizing on the growth in North American energy production is Clean Harbors, based in Norwell, MA. Clean Harbors (CLH) is the largest hazardous waste disposal company in North America. Over the last five years its revenue has grown at a 19% compound annual rate to \$1.98 billion in 2011 and the company's five-year trailing average return on equity is over 16%. Its breadth of business segments include emergency response services where the company generated \$220 million in revenue from its vital role in cleaning up the BP oil spill, high pressure and chemical cleaning, and hazardous incinerator capabilities. The company has experienced significant growth within its energy services and industrial services divisions and has an impeccable safety record. From an investment perspective, one of the most appealing components presented in the company's financials was their revenue segmentation in 2011 compared with 2008. In 2008, the company earned no revenue from oil and gas exploration and production; in 2011, 25% of the company's revenue was derived from its oil and gas production and exploration business. That kind of repositioning into one of the more promising areas of growth in North America is impressive and builds on the company's core strengths in waste disposal.

Clean Harbors participates in a wide array of activities related to energy services. The company strives to be a one-stop shop, partnering with energy corporations through up-front work and exploration to completion support work. The company services wells in production and provides down-hole work and maintenance. Clean Harbors also treats, transports, and disposes solid and liquid waste. The company even provides drill camp support for remote workers. Clean Harbors has developed a strong presence in the North Dakota Bakken region and also has assets in the Eagle Ford region in Texas and other areas.

On the industrial side, Clean Harbors' business is primarily in the Oil Sands regions of Canada. The company provides extraction and plant work in refineries and upgraders and also cleans storage tanks, maintains pipelines, and manages installation processes. The company also owns and operates remote lodges in Canada, where they host over 2,500 rooms ranging from regular accommodations to Executive lodges.^{xiii} To grasp the growth in energy production in North America,

one only needs to hear stories of Walmart parking lots full of cars at night with workers sleeping.^{xiv} With energy production, value increases the closer you are to the energy assets. Clean Harbors developed a profitable business by leveraging their mobility and waste disposal strengths to offer a necessary service to industry workers.

Clean Harbors possesses a deep understanding about oil safety and the United States Coast Guard relies upon the company to provide emergency services. In 2003, Clean Harbors worked with the Coast Guard to manage the Buzzards Bay oil cleanup, where the Bouchard 120 barge spilled thousands of gallons of oil into the Bay, which at the time was the largest emergency response project in Clean Harbors' history. As mentioned previously, the Coast Guard called upon Clean Harbors again in 2010 for support with the BP oil spill. The company has significant experience in managing through oil transport disasters and is perhaps uniquely positioned to comment on oil transport safety. Alan McKim, Clean Harbors' Founder and Chief Executive Officer, commented that he believes that pipelines are in fact the safest way to manage oil transport, over and above tankers and trucks where spills happen more regularly. This first-hand feedback aligns with statistics on the U.S. Department of Transportation website, which states that "Pipelines are the safest and most cost-effective means to transport the extraordinary volumes of natural gas and hazardous liquid products that fuel our economy... Pipelines generally have a better safety record (deaths, injuries, fires/explosions) than other modes of oil transportation. For example, compared to the pipeline record, there are 87 times more oil transport truck-related deaths, 35 times more oil transport truck related fires/explosions, and twice as many oil transport truck-related injuries."^{xv} This information is important from an investment perspective as we gauge the sustainability of the growth of North American energy production.

Conclusion

The waste stream is constantly evolving, and we believe that companies that choose to participate in the evolution will advance beyond their counterparts. While recycling has been a part of civilization in some form or another since its beginning through the re-use or re-distribution of goods, it is only recently that corporations have been able to deliver solid returns from this part of their business. Energy related initiatives such as Waste Management's Waste-to-Energy business have existed for decades, however recent changes

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- In order for your trust to qualify for “look through” treatment in determining MRDs, care must be taken not to include non-living entities as contingent beneficiaries. Charities, churches or estates listed as contingent beneficiaries or remainder interests will cause the trust to lose the advantages of “look through” treatment, and the Five Year Rule will apply.
- If your trust is designated to receive IRA distributions there may be a loss of flexibility and compressed tax rates of the trust increase the income tax.

What Should You Do to Designate Your Trust as the Beneficiary of Your IRA?

Naming a trust as the designated beneficiary of an IRA in the right situation can provide advantages over directly naming the beneficiaries.

However, before simply changing your IRA beneficiary designation form to name your trust as the beneficiary, you

should consult with your attorney and talk to your Trust Officer at Cambridge Trust Company about what you are trying to achieve. The consultation will help determine what amendments, if any, will be needed in your estate planning documents to achieve the proper results.

For example, many revocable living trusts focus on dealing with non-retirement assets - like your real estate and bank accounts - without regard to the complex tax rules pertaining to retirement accounts. Traditional trust provisions can create unique problems and tax complications, causing more problems than they are worth.

On the basis of a thorough analysis of your particular situation, needs and objectives, your Trust Officer working with your team of professionals should be able to guide you in determining a proper course of action with respect to your comprehensive wealth management plan, of which your IRA could be one of the biggest components.

Cambridge Trust Profile

Judith V. Goodnow

Senior Vice President, Cambridge Trust Company of New Hampshire

Cambridge Trust Company welcomed Judith V. Goodnow, Senior Vice President in late March of 2012. Judy brings with her over twenty-five years of trust and legal experience, along with a reputation for thoughtful and responsive personal service. She is responsible for trust and account administration and is based in our Concord, New Hampshire office.

Judy came to Cambridge Trust from Citizens Private Bank & Trust in Manchester, NH. Early trust career years were spent at Amoskeag Bank and New London Trust. Judy has served on numerous local non-profit boards including the League of NH Craftsmen, Havenwood-Heritage Heights, and Child and Family Services of New Hampshire. She is a member of the Bow Rotary Club.

She graduated from Indiana University, Bloomington, Indiana, with a BA in English, and went on to earn a Juris Doctor from Memphis State University, School of Law in Memphis, TN. Judy is licensed in both New Hampshire and Tennessee, and is a member of the New Hampshire Bar Association and the New Hampshire Estate Planning Council, recently serving as President.

Last year Judy walked from Porto, Portugal to Santiago de Compostela, Spain, which is a distance of 150 miles. Judy continues to walk, but not as far, and lives with her husband, Michael, in Bow, NH.



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within the energy industry have enhanced the focus of waste companies seeking to benefit from its growth. These types of strategies are still being refined as ways to generate energy effectively given a range of varying factors. Energy production in North America results in a number of byproducts including waste, and in order to feasibly improve the region's energy independence, energy corporations will need to

partner with external corporations that can effectively and safely manage such byproducts. We believe that Clean Harbors and Waste Management are well positioned to service this industry, which in return enhances the growth opportunities of these companies.

ⁱ EPA, "Municipal Solid Waste Generation, Recycling, and Disposal in the United States: Facts and Figures for 2010"

ⁱⁱ EPA, "Municipal Solid Waste Generation, Recycling, and Disposal in the United States: Facts and Figures for 2005"

ⁱⁱⁱ Methodology for Estimating Municipal Solid Waste Recycling Benefits; November 2007

^{iv} The State of Garbage in America; BioCycle; Oct 2010.

^v Recycling and Jobs in Massachusetts, A Study of Current and Future Workforce Needs, March 2012

^{vi} "Whistleblower: San Francisco Garbage Company Defrauded State of California Out of Millions"; May 30, 2012; Luke Thomas

^{vii} http://blogs.sfweekly.com/thesnitch/2011/02/should_citys_garbage_contract.php

^{viii} http://www.sfgov2.org/ftp/uploadedfiles/elections/candidates/Jun2012/Jun2012_GarbageCollectionAndDisposal.pdf

^{ix} <http://www.cambridgema.gov/theworks/ourservices/recyclingandtrash/aboutrecycling/singlestreamrecycling/where.aspx>

^x Waste Management Investor Relations

^{xi} http://www.wm.com/about/community/pdfs/Waste_to_Energy.pdf

^{xii} Waste Management Presentation; J.P. Morgan Diversified Industries Conference; June 6, 2012

^{xiii} *ibid*

^{xiv} 2012 Credit Suisse Industrial & Environmental Services Conference; Richard Heckmann, CEO, Heckmann Corporation

^{xv} http://phmsa.dot.gov/portal/site/PHMSA/menuitem.ebdc7a8a7e39f2e55cf2031050248a0c/?vgnnextoid=2c6924cc45ea4110VgnVCM1000009ed07898RCRD&vgnnextchannel=f7280665b91ac010VgnVCM1000008049a8c0RCRD&vgnnextfmt=print#QA_0

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Summer 2012

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Cambridge TrustLetter *Editor – Laura C. McGregor*

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