

Premise:

The Legal Profession has a vested interest in making sure your assets are **always** available in a lawsuit.

Rule # 1:

Lawsuits Are **Always** About The Money

Definitions:

1. **Safe Assets:** An asset that CANNOT create a lawsuit on its own
2. **High Risk Assets:** An asset that CAN create a lawsuit on its own
3. **Inside Assets:** Assets owned by the same legal entity
4. **Outside Assets:** Assets owned by different legal entities (or outside a legal entity)
5. **Legal Entity: Association, corporation, partnership, proprietorship, etc.,** that has **legal standing** in the eyes of law. A legal entity has **legal capacity** to enter into **agreements or contracts, assume obligations, incur and pay debts, sue and be sued** in its **own** right, and is held responsible for its **actions**

Administrative Entities:

1. S – Corp.
2. C – Corp.
3. Sole Proprietorship
4. Partnerships

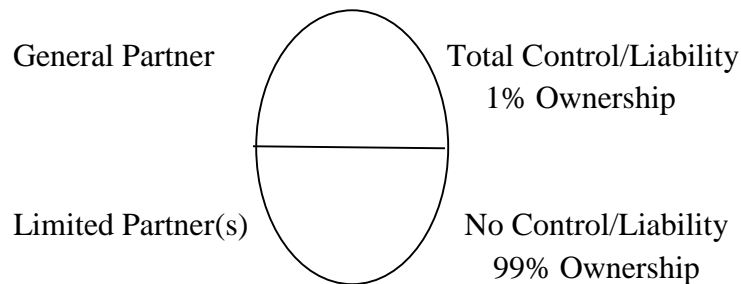
LLC – taxed as one of the administrative entities listed above

Living Trust:

1. Purpose is to eliminate probate
2. Why it should be **revocable**
3. How is it **funded**
 - a. Titled property
 - b. Personal property

Lawsuits:

1. Lawsuit Epidemic in the USA
2. Sources of Lawsuits
 - a. Vicarious liability
 - b. Partnerships
 - c. Your own mistakes
 - d. Delayed discovery
3. **The Family Limited Partnership** is the answer
 - a. The history
 - b. How it works



- c. Can spread income to family / partners
- d. Can help the elderly to maintain independence when long term care is needed

The Charging Order:

1. Stops the transfer of inside assets from entity
2. If the distributions are made on a Pro-Rata basis the judge may force the distribution
3. If the distributions are NON-Pro-Rata and controlled by the general partner no distribution can be forced.
4. IRS ruling #77-137 forces a plaintiff to pay income taxes on any judgment against the charging order even if there is no distribution.
5. Nearly all Family Limited Partnership's (FLP's) created in the U.S. are organized in such a way that they give power to the judge to force a distribution.

LLC:

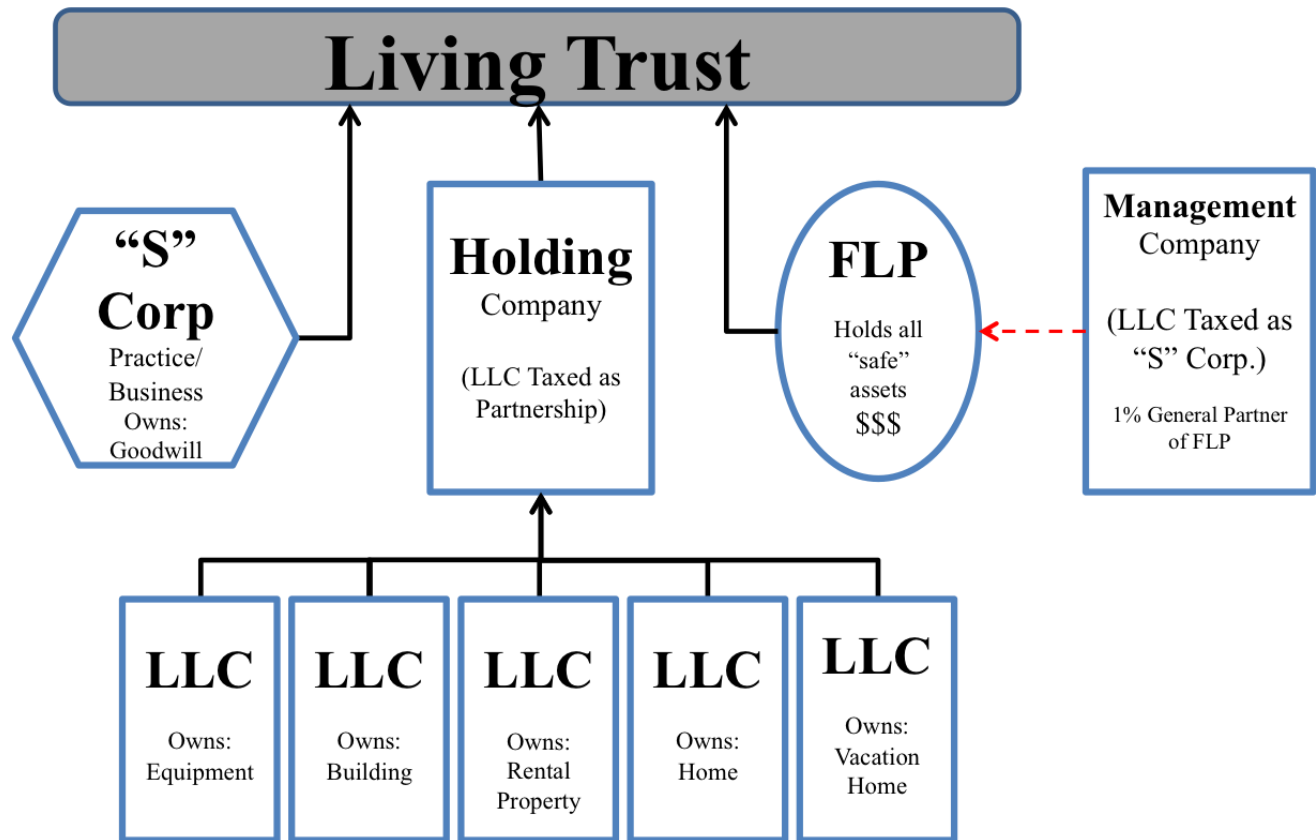
1. Created in Wyoming in 1987
2. Uses the charging order as the remedy to get assets out of the entity (States vary in enforcement strength)
3. Will only protect assets inside of the entity from outside lawsuits
4. Nearly all LLC's created in the U.S. are organized in such a way that they give power to the judge to force a distribution.

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Inside / Outside

1. Any entity or individual creating a lawsuit can be sued
2. Asset protective entities will protect from an outside lawsuit and cannot be pierced if the entity is created properly.
3. The same protection does not apply to an individual who owns assets in their own name
4. High risk assets must be placed in separate asset protective entities in order to shield them from lawsuits

Rock Solid Asset Protection



Implementation

1. Only .05% of all attorneys claim asset protection as a specialty of their practice.
 - a. This results in poorly created entities for asset protection purposes.
 - b. Many attorneys will create entities without the proper knowledge of how they work and how they protect assets. This often creates difficulties for defendants who think their assets are protected, but do not realize they are almost always vulnerable.
2. The cost of entity structuring is inconsistent with both the knowledge of the legal professional and the amount of work they have to do.

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Premium+ Program Provides:

- Review of existing entity(ies) to ensure they provide the needed protection for the assets they encompass
- Creation of an annual Legal Blueprint
- Creation of an annual Tax Reduction Plan
- Proper legal Formalities Observed
- Additional benefits & services

Document & Entity Creation Program:

- Access to over 100 specially designed legal documents
- Includes complimentary document creation services
- Includes support for legal documents created

Notes:

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