

Everything You Own

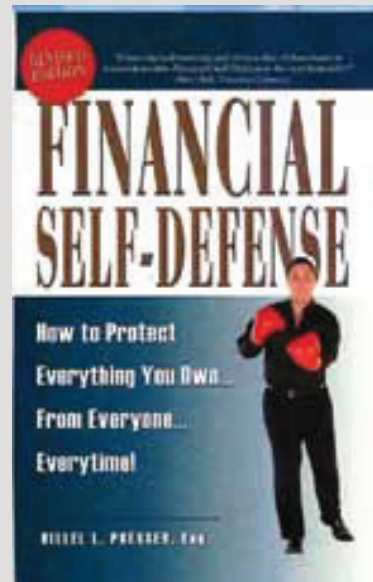
Ginny Grimsley

Lawsuits have become big business, especially since the economic downturn. They're a cheap way for people to make lots of money, often with an investment of just a few hours' time.

The plaintiff may never even have to prove a thing; the prospect of spending hundreds of thousands of dollars in legal bills can scare a defendant into opting for a settlement without ever putting up a fight. Even if he did nothing wrong.

More than 100 million lawsuits are filed each year; one in three people will be sued in the next 12 months. No one's immune, but people with a lot of assets showing are especially vulnerable. If someone thinks you've got a lot to lose, and thus, they've got a lot to gain, you become a choice target. People who are less affluent are vulnerable in a different way: If a person with \$100,000 in assets gets sued for \$1 million, they'll be wiped out, whereas the person with \$5 million can survive a \$1 million lawsuit.

The time to protect your assets is before you get sued; it's much more enforceable, costs less and you'll have



more options available.

Here are some tips from Hillel L. Presser, author of "Financial Self-Defense," and a lawyer specializing in asset protection. www.assetprotectionattorneys.com:

INVENTORY YOUR WEALTH

Most people have a lot more than they think. Take stock of valuable domain names, telephone numbers, intellectual property, potential inheritances, and other non-liquid assets.

CONVERT NON-EXEMPT ASSETS INTO EXEMPT ASSETS

State laws protect some personal assets from lawsuits and creditors. Those assets typically include your primary residence; personal items such as furniture and clothing; pensions and retirement funds; and life insurance. Find out the exemptions for your state and convert non-exempt assets (i.e. cash) into exempt assets (i.e. life insurance).

PROTECT EVERY ASSET FROM EVERY CREDITOR

There's no point in protecting your money if your business is exposed. There's

no point in protecting your business if your house is exposed. There's no point in protecting your house if your boat is exposed. Protect everything! Your asset protection plan should hold up whether your neighbor is suing you or the most powerful attorney downtown.

DON'T RELY SOLELY ON LIABILITY INSURANCE

Buy as much insurance as you can; it's cheap and it helps you sleep at night. But realize that 70 percent of claims are not covered. Your coverage may be inadequate for a particular suit; your insurance company may go bankrupt. Having insurance and an asset protection plan is the belt and suspenders approach to hanging onto your pants.

AVOID FRAUDULENT TRANSFERS

A fraudulent transfer occurs if your creditor doesn't get paid because you sold an asset to a person or entity for less than its fair market value when faced with a lawsuit. Such a transfer, done with the intent to hinder, delay, or defraud a creditor, can invalidate your entire asset protection plan. → 38

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speak quietly of self-confidence with its spare elegance.”

- Ditch the Mr. Magoo oversized glasses and choose eyewear that’s modern and in a shape that flatters your face. Horn-rimmed glasses are a classic.

- Belts should always complement your shoes in style and color. A black or brown belt in plain leather with a simple buckle will work well. And remember, you don’t always have to wear a belt — especially with shorts.

- Shoes should never be considered a mere necessity or afterthought. A classic

shoe is always a safe bet (black or brown Oxfords in a wingtip or cap-toe), but if you opt for something trendy, make sure it’s well designed and understated. And please skip the knee-high socks with sandals. That’s a definite fashion “don’t.”

- The more extensive your repertoire of accessories — those you buy each season for updating and those classics you’ve collected over the years -- the more options you’ll have for mixing-and-matching, and increasing the potential for multiple outfits whether they’re casual, professional, or dressy. Δ

PROTECTING EVERYTHING — From Pg. 18

DON’T TITLE YOUR ASSETS SOLELY TO YOUR SPOUSE OR TO “STRAW MEN”

They may have more financial problems than you.

PROTECT WITH LIENS

What is a \$100,000 car worth if you owe \$95,000? What is a \$1 million house worth if you owe \$950,000? Take out lines of credit. Record mortgages against your property. Make all of your assets valueless. Become an unattractive candidate for a lawsuit.

TRANSFER YOUR ASSETS TO A PROTECTIVE ENTITY

The key to asset protection is to own nothing while controlling everything. Transfer any non exempt assets out of your name to protective entities such as trusts, LLC’s (limited liability companies), limited partnerships, etc.

KEEP YOUR PLAN UP TO DATE

Laws change every year. Have your plan reviewed yearly. Δ

THE KATE EFFECT — From Pg. 34

THE ELEGANT COAT

Fall may be a few months away, but a standout coat is always a good investment at any time of the year. Kate takes a streamlined approach to her outerwear — from fitted princess styles worn over dresses to sportier shorter jackets trimmed in fur and worn with jeans.

THE EVENING GOWN

Of course, all royals need a few glamorous gowns to round out their wardrobes. And if you’re planning on attending a ball yourself in the near future, then you’ll want to take some cues from Kate herself. The all-over lace gown from Alice Temperley she wore to the “War Horse”

movie premier was a stunning example of one of her finest moments last year, but you can’t go wrong with a black strapless number, either.

ALL THE EXTRAS

Between nude pumps and cowboy hats, what’s not to like about this newest member of the British royal family? She loves Jimmy Choo stilettos, but she is just as at home in a pair of Adidas sneakers, too. She and her sister, Pippa, have also inspired us with their fascinating “fascinator” hats. And she loves her clutch handbags by Anya Hindmarch — another British designer. Then there’s the famous sapphire ring copied by jewelers everywhere. Δ