

Six Tips to Build Trust Protection

1. Never put your eggs in one basket. Use multiple trusts and different trustees for different assets. Your creditor will have more difficulty challenging several trusts. Multiple trusts also give you more flexibility to accommodate multiple objectives, beneficiaries, or financial objectives.
2. Use a foreign or offshore trust (not a domestic trust) to further discourage litigation and maximize your protection.
3. Incrementally transfer assets to your trusts. Smaller, staggered transfers suggest those that were not intended to defraud creditors.
4. Add innocent preambles to your trust. For example, your trust may state an estate planning purpose.
5. Include one or two beneficiaries other than yourself. A trust that will only benefit you won't protect you against either your present or future creditors.
6. Don't control your trust. If you control the trust, your creditor can claim its assets.