

● ● money matters ● ●

guarding your ASSETS



In Florida, a man serving 12 years in prison for DUI manslaughter is suing his victims' survivors for his pain, suffering, medical bills, and "loss of capacity for enjoying life."

In Illinois last year, siblings aged 20 and 23 sought more than \$50,000 in damages from their mom for "bad mothering," including setting a curfew for her then-teenage daughter, "haggling" over clothing prices, and failing to send college care packages.

Lawsuits like these are, unfortunately, more the rule than the exception, says Hillel L. Presser, a lawyer specializing in domestic and international asset protection planning and author of *Financial Self-Defense*.

"Litigation is America's fastest growing business, and why not? Plaintiffs have everything to gain and nothing but a few hours' time to lose," Presser says. "Even if a case seems utterly ridiculous, like the guy in prison suing his victims' family, defendants are encouraged to settle just to avoid potentially astronomical legal fees."

So where does a person begin? You'll likely need the expertise of an asset protection planner, Presser says, but here are some steps you can take on your own:

- **Take stock of your wealth.** Inventory your assets—you probably own more than you think. Besides savings and retirement accounts, consider any money owed to you, anticipated inheritances and future assets. Property includes homes, vehicles, jewelry, and land. Don't forget to consider intangible assets, those non-physical but valuable brands, trademarks, patents and intellectual property. Visit assetprotectionattorneys.com for an inventory worksheet.

- **Put only assets that are exempt from seizure in your name.** Federal and 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. State exemption laws vary; federal laws govern exemptions in bankruptcy.

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- **Protectively title non-exempt assets.** Putting the title to valuable assets in the names of corporations, limited partnerships, domestic trusts and other entities offers some protection. You still get to use and enjoy the asset but legal ownership is with an entity that's not subject to your personal creditors' claims. Which entities best shield which assets depends on the asset, your state laws, taxation and your estate plan, to name a few considerations. You can also combine protective entities, for instance, giving ownership of your limited liability company to a limited partnership. It's best to get professional

advice when choosing the entity that will best protect an asset.

Whether you're worth millions or a few hundred thousand, it's important to not get caught with your assets showing, Presser says. The more you have exposed, the more enticing a target you become. And the less you have, the more catastrophic the outcome can be.

"If the average person with \$200,000 is sued for \$1 million, he's wiped out," Presser says. "It's not so horrific for the person with \$25 million who gets sued for \$5 million. *GFM*

