

Asset Protection Newsletter

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Welcome to Our February 2012 Asset Protection Newsletter!



Do most lawsuits involve small amounts of money or are they wealth threatening?

If a credit card company sues you for \$6000 you only have \$6000 at risk. But even when you can endure the odds of being sued and the uncertainty of winning or losing, you must consider the possibility of a devastating award. You can't predict what you could lose in a major lawsuit. A plaintiff who wins a few dollars in actual damages may pocket millions more in punitive damages. A buyer of a \$20 defective product can turn it into a class action case that can cost the seller millions – or billions. One lawsuit can start an avalanche of others. Enough nonsense lawsuits topple the most powerful business or wealthiest family, as we have seen with litigation against tobacco, pharmaceuticals, asbestos and other industries.

Important Reminder About Florida Entities

For those who own a Florida entity, don't forget that starting on January 1, 2012 you can file your annual report online.

Please don't hesitate to contact our Firm with any questions.



Important Changes in Florida

This uncertainty of outcome also explains why nine out of ten lawsuits settle. What defendant can go to trial confident of victory? What defendant can know what they may lose if their case goes to trial? How many defendants can afford the exorbitant legal fees to answer these questions? So plaintiffs' lawyers use lawsuits as their weapons to extort whopping settlements because the economics are always with the plaintiffs. The defendant is coerced to pay 'go away' money, because the defendant who has exposed wealth simply has too much to lose by gambling on litigation.

Of course, lawsuits can involve more than money. A lawsuit can attack your personal character – particularly those that allege fraud, racketeering, or conspiracy. And you may have good cause to get angry when a lawsuit attacks your professional competency. Ask any doctor how it feels to be characterized in a malpractice lawsuit as 'negligent, incompetent or reckless.'

One leading New York thoracic surgeon was sued twice in his thirty-year career but will tell you, "You know you did nothing wrong, but you begin to question your own competence. Inevitably your self-confidence and self-esteem drops a few notches."

Every lawsuit creates some stress and uneasiness; however, a major lawsuit can disrupt your social relationships, cloud your thoughts, dampen your enthusiasm for the future, and always create that nagging sense of insecurity. The essence of the lawsuit was best voiced by the Tort Informer: "The law provides incredible financial incentives to seek out a victim with deep pockets, drag him into court, ruin his reputation, wear him down with endless discovery demands, pay a fortune to defend himself and then extort a settlement. This is not justice in any sense of the word." But if you are well-protected you may avoid all this. That's our goal with our clients.

If I have liability insurance, do I still need an asset protection

Law

2010 brought a significant change in Florida law with regard to limited liability companies and creditor protection. In June of 2010, the Florida Supreme Court held in *Olmstead v. Federal Trade Commission* (No. SC08-1009) that a charging order is not the exclusive remedy available to a creditor holding a judgment against the sole member of a Florida single-member limited liability company.

A charging order represents a lien that entitles a judgment creditor to receive distributions from the LLC or a limited partnership, for that matter, in place of the debtor-member. It had been understood, until *Olmstead* that this was the exclusive remedy of a judgment debtor against an LLC membership interest. The *Olmstead* decision changed that but left the issue very vague for practitioners who set up LLCs for clients given that the decision did not clarify whether multi-member LLCs would also be subject to this decision.

The Florida Legislature recognized the uncertainty with which we were all left at *Olmstead* and recently passed new legislation clarifying the breadth of the *Olmstead*. They changed F.S. 608.433 to make it

plan?

That's an excellent question. Let's put it in perspective. Liability insurance is important, but liability insurance can't replace the other ways to protect yourself. Liability insurance insures only one in three lawsuits. So most lawsuits aren't covered. For example, you may be sued for breach of contract, a defaulted loan, or family dispute. The possibilities of an uninsured claim are endless. Nor does insurance fully cover every claim. How good is your million-dollar liability policy if you're sued for two million? And with today's unpredictable, ludicrous jury awards, who can be certain they won't be hit with an excessive judgment? Nor can you overlook those countless policy exclusions and loopholes. You can't even be certain that your insurance company will be in business when you're hit with a claim? Insurance companies – like other companies – do go bankrupt. We strongly recommend buying liability insurance. It's a smart first step for protection and risk management. Also buy as much liability insurance as you can reasonably afford. But make liability insurance only your starting point. It can't replace a solid asset protection plan that will fully protect you against every size and type claim.

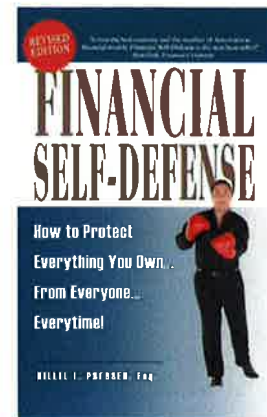
Is it legal to shield assets against lawsuits and creditors?

It's not only legal but essential! What thinking person could today question the legality of asset protection planning? And who could question its necessity? Yes, there can be that troublesome grey area that separates legal from illegal asset protection planning. And you can't cross the line. For example, a legal plan won't involve secrecy, concealing assets, perjury, tax fraud, money laundering or bankruptcy fraud. That's not what asset protection is about. You want legal protection. A questionable 'protective' strategy can only get you into bigger trouble. If you question the legitimacy of a proposed plan, talk to another planner. There are many perfectly legitimate ways to shield your wealth without engaging in dubious or downright illegal practices. If you incorrectly assume that asset protection involves secrecy, tax evasion, concealing assets or other questionable practices, then you are wrong. We discuss only 100 percent legal techniques.

The legitimacy of asset protection planning is best evidenced by the many trade and scholastic books now available on the topic.

changed 1.0. 000.455 to make it clear that the charging order is still the exclusive remedy to a judgment creditor of a member in a multi-member Florida LLC. However, it also clarified that a judgment creditor of a member in a single-member LLC must satisfactorily demonstrate to the court that "distributions under a charging order will not satisfy the judgment within a reasonable time, a charging order is not the sole and exclusive remedy".

For those who do have Florida LLC's, please do not hesitate to contact us with any questions or concerns.



Read Our Latest Book! Released September 2011!

Contact us today to book a complimentary Preliminary Consultation with a licensed attorney and receive a free copy of Financial Self Defense - Revised Edition or click the image above to purchase your copy on Amazon!

Many journals and articles openly discuss – and recommend – asset protection. The American Bar Association has formed an asset protection subcommittee. Those who equate asset protection with sleazy practices simply don't understand the field.

We might explain the legitimacy of asset protection as the intelligent application of the many statutory and common law tools – exemption laws, co-ownerships, corporations, LLCs, trusts, bankruptcy and so forth – to best shield one's wealth. We didn't create these tools. We only show our clients how to use them to their advantage.

The Presser Law Firm, P.A. -- Asset Protection Attorneys

The Presser Law Firm, P.A. represents individuals and businesses in connection with the establishment of comprehensive Asset Protection plans that incorporate both domestic and international components. We help our clients protect themselves from lawyers, creditors, foreclosure deficiencies, former or current spouses, children, relatives, and greedy lawsuit-obsessed citizens. While many people can make money, few know how to protect it. We have been featured in numerous newspapers and magazines, among them Forbes, Sports Illustrated, The Robb Report, The Houston Chronicle, and The Los Angeles Times. We have also appeared on several radio and television stations such as FOX, BRAVO, NBC, ABC, and CBS and have been profiled in the international press in Canada, Germany, Greece, Ireland, and the United Kingdom. We have represented some of today's most well known business owners, celebrities, and professional athletes.

Our Asset Protection Newsletter will show you how to utilize proven strategies to shelter your assets; tools and tactics that we use as Asset Protection Attorneys to successfully shield the wealth of thousands of individuals, families, and companies. It will provide scores of little known strategies, tactics, and Asset Protection secrets. It will give you the straight talk, tell you what really works, what doesn't, and why. It will also help you avoid the common mistakes and errors that you may be making right now - mistakes which can undermine your financial security!

We have been working around the clock to improve our Firm's online presence to ensure that you receive the most up-to-date information on how to protect everything you own from



For every 60 minutes you spend making money, spend 60 seconds thinking about how to protect it!



Visit Us At Our Location!

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everyone, every time. We will be constantly updating our social media with new cutting edge information, just click the links above to follow us.

If you know a colleague, friend, family member or anyone that would benefit from this important information, please have them contact us to be added to our newsletter!

Best Wishes,

The Presser Law Firm, P.A.
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