Contents

Preface	vii
Chapter 1. Introduction	1
Asset Protection Planning	1
Shield of Liability	1
Inside and Outside Creditors	3
Inside Creditors	3
Outside Creditors	4
A Comprehensive Example	4
1. Scott's Architectural Practice and the Ramifications of Operating as the Sole Proprietor	5
2. Estate Planning	5
3. Exemption and Marital Planning	5
4. Liability-Protected Entities	5
5. Domestic Asset Protection Trusts	5
6. Offshore Planning	5
7. Advanced Estate Planning 8. Just What the Doctor Ordered	6
9. Putting It All Together	6
Chapter 2. Why Plan? The Need for Asset Protection	7
The Reasons	7
1. Victim-Oriented Society	7
2. Plaintiff Lawyers	8
3. Expanding Theories of Liability	8
4. Deep-Pocket Theory	8
5. Increased Notoriety	8
Who are the Victims of Lawsuit Onslaughts? Who Needs to Protect and Defend their	0
Amassed Assets and Properties?	9
Creditors, Discovery and Remedies	9
Chapter 3. The Limitations	13
Fraudulent Transfer Law	13
Bankruptcy	16
Money Laundering and Other Criminal Statutes	17

Chapter 4. The Ladder of Success	19
The Multi-Tiered Approach	19
Step One: The Business Entity	20
Step Two: Basic Estate Planning	21
Step Three: Exemptions and Marital Planning	21
Step Four: Liability-Protected Entities for Investment Assets	21
Step Five: Domestic Modular Planning with Asset Protection Trusts	21 21
Step Six: Offshore Modular Planning with Offshore Asset Protection Trust Step Seven: Advanced Estate Planning Techniques	22
Physician Planning	22
Putting It All Together	22
The Ladder	22
Chapter 5. Step One on the Ladder: The Operating Business Entity	23
Sole Proprietorship	24
General Partnership	25
Limited Partnership	25
Limited Liability Company	26
Corporation	26
Limited Liability Partnership	27
Selecting the Proper Business Entity	27
Chapter 6. Step Two on the Ladder: Basic Estate Planning	29
Foundational Documents	29
Will and Powers of Attorney	30
Healthcare Directives or Medical Powers of Attorney	31
The Revocable Living Trust	31
Chapter 7. Step Three on the Ladder: Bankruptcy Considerations, Exemptions, and Marital Planning	35
Bankruptcy Considerations	35
Other Exemptions and Protections	36
Adequate Insurance	37
Joint Ownership of Property	37
Marital Planning	38
Chapter 8. Step Four on the Ladder: Liability Protective Entities for Investment Assets	39
Real Estate Assets	40
Segregating Assets into Multiple Liability-Protected Entities	41
The Charging Order and Protection against Outside Debts	41
What Is a Charging Order?	42
Historical Background of the Charging Order	42
Forum Shopping	44
The Series LLC	44

	Contents	V
Uses		45
Conclusion		46
One Final Word of Caution		46
Chapter 9. Step Five on the Ladder: Domestic Asset Protection Trusts and Modular Planning Utilizing LLCs		49
Setting Up and Maintaining Domestic Asset Protection Trusts		50
Consequences of Utilizing Domestic Asset Protection Trusts		51
Modular Structuring Utilizing DAPT and LLCs		52
Divided You Stand; United You Fall		52
Hypothetical Case Study No. 1		53
Hypothetical Case Study No. 2 Hypothetical Case Study No. 3		53 54
The Trust Protector		55
Observed O. Chan City on the Landau. The Offshare Asset Ducks they Touck and the Madulau		
Chapter 10. Step Six on the Ladder: The Offshore Asset Protection Trust and the Modular Planning that Accompanies It		57
Setting Up and Maintaining the Foreign Asset Protection Trust		58
Factors and Jurisdiction-Selection Process		59
Tax Considerations		60
The Cook Islands: The Best Offshore Jurisdiction		60
Issues of Contempt of the Foreign Asset Protection Trusts		61
The Anderson Case		62
The Lawrence Case		62
Offshore Modular Planning		63
Chapter 11. Advanced Estate Planning Techniques		65
The Irrevocable Life Insurance Trust		65
Family Limited Partnerships and LLCs		66
Charitable Remainder Trusts and Charitable Lead Trusts		67
Grantor Retained Annuity Trust		67
Qualified Personal Residence Trust		68
The Intentionally Defective Irrevocable Trust		68
Chapter 12. Just What The Doctor Ordered: Some Special Issues and Strategies		
for Physicians and Dentists		71
The Medical Practice		72
1. Independent Contractor		72
2. Equipment		73
3. Professional Relationship Agreements		73 73
4. Surgical Center		73
Malpractice Why Should Doctors Worry?		74 74
Non-Practice Assets and Investments		7 4 74
Conclusion		75
Conclusion		13

Chapter 13. Climbing the Ladder and Putting It All Together	77
Action 1	77
Action 2	78
Action 3	79
Action 4	79
Hypothetical Case Studies Case Study A	79 79
Possible Recommendations	80
Case Study B	81
Preliminary Comments	81
Recommendations	82
Conclusion Remember	82 83
Kemember	83
Appendix A. Business Entity Checklist	85
Appendix B. LLC Explanation	87
Appendix C. Post-Incorporation Memorandum	91
Appendix D. Post-Organization Memorandum (For LLC)	95
Appendix E. Why Use Family Limited Liability Companies?	99
Appendix F. Asset Protection and Marital Planning	103
Appendix G. Bullet-Proofing Your Corporation	107
Appendix H. For Whom the Bell Toll	109
Appendix I. How to Avoid Veil-Piercing	111
Appendix J. The Nevada Asset Protection Trust	115
Appendix K. Putting Personal Residences into an FLP or FLCC: A No-No	117
Index	119
About the Author	123