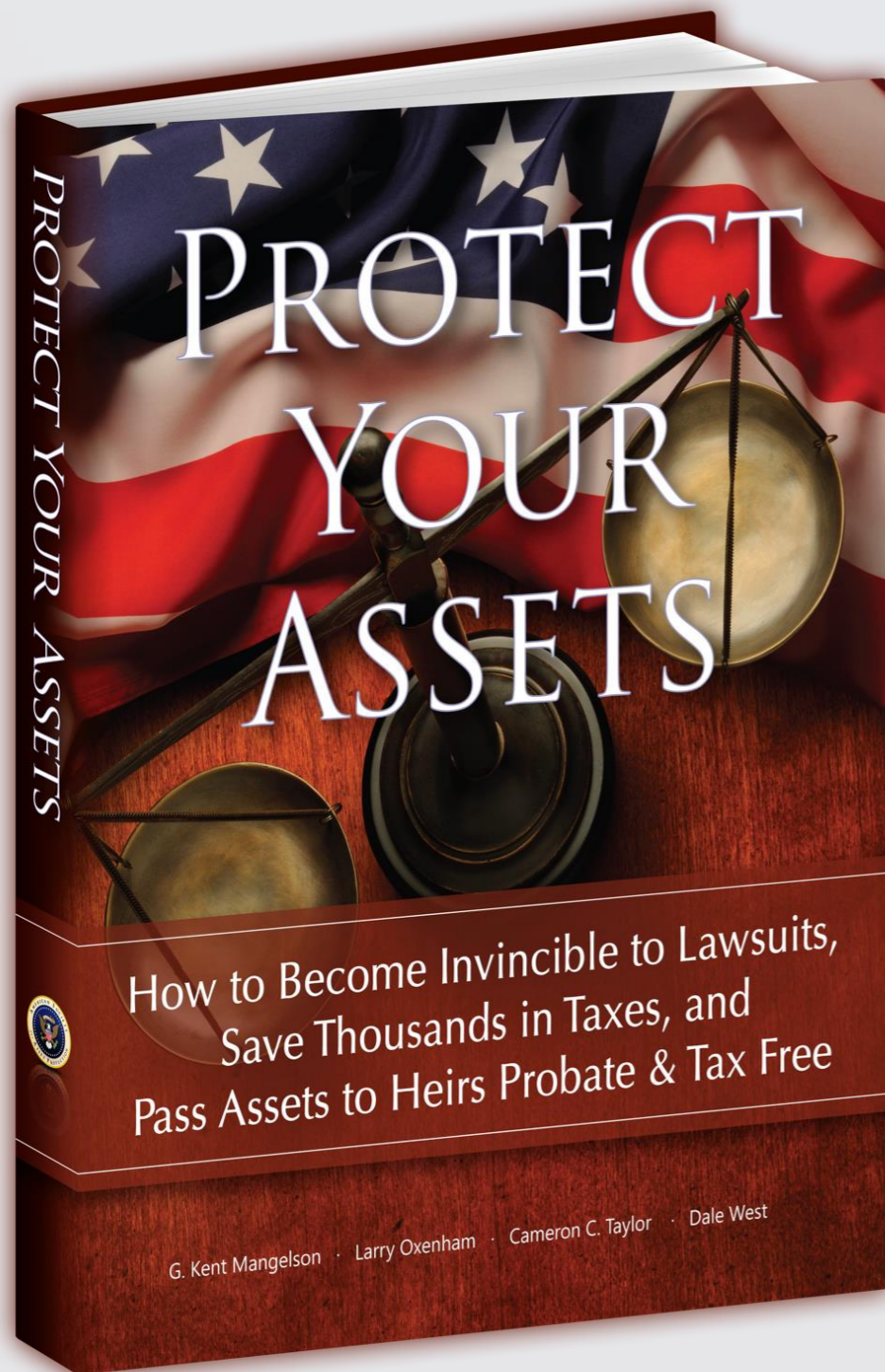


Protect Your Assets



Presented by
Chris B. Turner, JD
Law Offices of Scott L. Soelberg, PC

On behalf of:



WHAT IS TOTAL ASSET PROTECTION?

**“Asset Protection is security and
financial peace of mind.”**

-Cameron C. Taylor



Solutions to Three Major Problems

Asset Protection

Problem #1:

If you are not properly structured, it only takes one lawsuit to lose everything.

Solution #1:

This presentation will teach you how to bulletproof your assets from lawsuits

Solutions to Three Major Problems

Estate Planning

Problem #2:

Without an effective estate plan, up to 50% of your estate could be lost.

Solution #2:

This presentation will teach you how to avoid probate, and eliminate or dramatically reduce your estate taxes.

Solutions to Three Major Problems

Tax Reduction

Problem #3:

Billions of dollars are overpaid each year in taxes.

Solution #3:

This presentation will teach you strategies used by the nation's top tax reduction law firms.

Become Invincible to Lawsuits



“A lawyer with his briefcase can steal more than a hundred men with guns.”

-Mario Puzo, author of *The Godfather*

Email Solicitation

Bank Locates For Attorneys

Hello,

Does someone owe you money? Whether you have a judgment to enforce or are planning for litigation, you may want to learn where your debtor has **bank accounts**.

Attorneys are entitled to know where debtors have assets, for purposes of judgment enforcement and litigation support. **Top law firms** like DLA Piper, Jones Day, Greenberg Traurig, Baker Botts, Troutman Sanders, and hundreds more, have advanced their legal cases by hiring the professionals at ACME, Inc..

Our team of experts can **locate assets**:

Bank and Investment Accounts

Hidden [Transferred] Assets

Business Ownership Facts and Employment

On-Location Interviews

Complex Recovery Assignments

Since 1994, ACME, Inc. has worked with clients in all 50 U.S. states and 27 countries worldwide. ACME, Inc. has experience in performing **true investigations** to obtain the proper intel you need.



Sources of Risks

- Professional Malpractice
- General Torts
- Contract Claims
- Creditor Exposure
- Officer and Director Liability
- Environmental Liability
- Divorce
- Forced Heirship
- Political Threats
- Existing Lawsuit
- Economic Risks
- Insurance Adequacy Risks*
- Income Taxes
- Estate Taxes
- Succession
- Disability
- Long-Term Care Exposure
- Theft
- Wrongful Title
- Criminal Convictions
- Bad Investments
- Employee Actions
- Long-Term Disability
- Death
- Probate



Assessing Your Assets

- Where the Assets are Held**
- Risk Inherent to the Asset**
- Value of Asset or Income Stream**
- Existing Protection**
- Your Profession or Vocation**
- Your Interactions with Others**



Steps of a Lawsuit

- 1. Injury or Loss**
- 2. Find a defendant(s) who can pay**
- 3. Construct a theory of liability**
- 4. Trial**
- 5. Judgment**
- 6. Collect on judgment**

-or- Settlement



If I get Sued, what will I lose?

WHAT ARE YOU GOING TO LOSE?



Ask Yourself From A Risk Standpoint

- Where Am I?***
- Where Do I Want To Be?***
- How Do I Get There?***
- How Much Will It Cost?***



Case Study 1A

Joint Ownership

Sole Proprietorship



LP - A



LP - B

Limited Partnership Agreement
of the
Bill D. Fortune Family
Limited Partnership

This Limited Partnership Agreement, made and entered into as of the 29th day of September, 2004, by and among the following General Partners:

Bill D. Fortune
Iona Fortune

and the following Limited Partners:

Bill D. Fortune
Iona Fortune

In consideration of the mutual covenants herein, the Parties hereby form a Limited Partnership upon the following terms and conditions:

ARTICLE I BASIC STRUCTURE

1.1. Formation. The Parties hereby form a Limited Partnership pursuant to the Limited Partnership Act of the State of .

1.2. Partnership Name. The business of the Partnership shall be conducted under the name of

Limited Partnership Agreement
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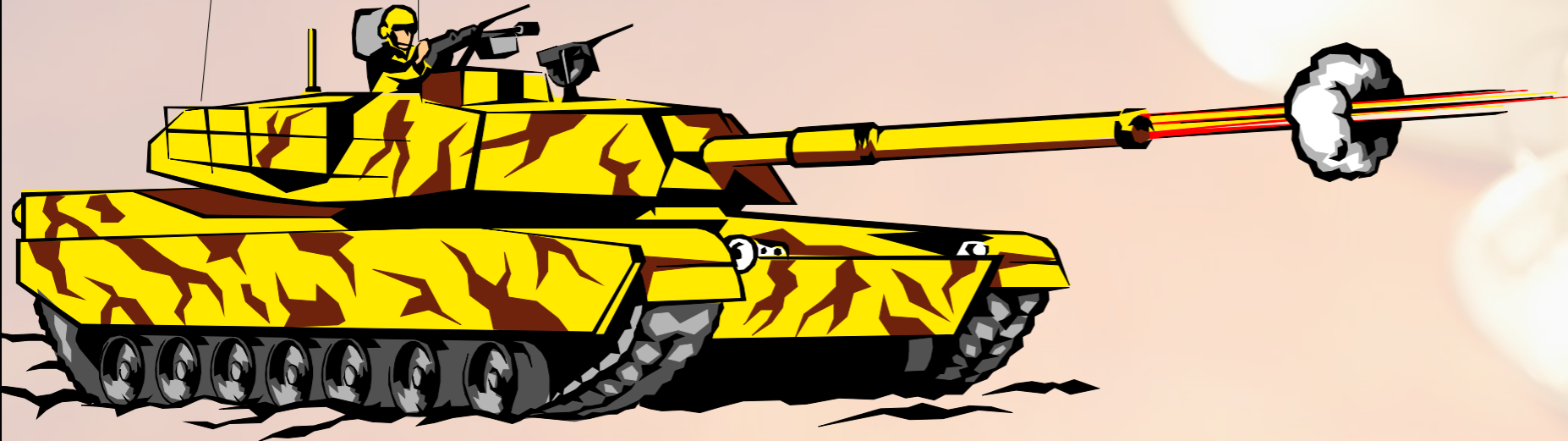
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1.2. Partnership Name. The business of the Partnership shall be conducted under the name of





Distributions

2.02 The Net profits shall be distributed at least annually to all partners according to each partner's respective Capital Account.

2.9 The Partnership will distribute its Available Funds at least annually. . .
. . . The General Partners may in their discretion distribute the profits and/or Capital of the Partnership business pro rata or non pro rata as they deem advisable.



Asset Protection Structure

Rev. Lvg. Trust (Review/Revise)

(IL)

- John Doe – Physician (60)
 Jane Doe – Homemaker (59)
 Ch: 1. Christopher – Unemployed (32)
 2. Marilyn – Physician (31)
 3. Kimberly – School (23)

| | | |
|----------------------------|--------------------------------------|----------|
| H | JT | W |
| Lexus Camry P.C. Stk | Ckng. Accts. Home (T-by-E) | MBZ |
| FLP Int. | | FLP Int. |

- 2 P.O. Wills
 - 2 Lvg. Wills
 - Dur. PsOA
 - Avoid Probate
 - Minimize Estate Taxes
 - Mgmt/Distrib. To Ch
- Malpractice Ins.
 - Pers. Umbr. Liab. Ins.

Pers. Resid.: Hold as T-by-E

Pensions/IRAs:

Beneficiaries:

1. Spouse
2. Rev. Lvg. Trust

(AK) FLP

GPs: H - 1%
 W - 1%

LPs: H - 43.5%
 W - 43.5%
 Ch - 11%

“Safe” Assets

1065/K-1's

FLP Assets:

- Non-rtmt Invstmnt Accts.
- MM, Svgs, CDs, etc.
- LLC Int.



Judgment creditor holding charging orders



Family Limited Partnership

Since
1916

FLP

1) General Partner(s)

H/W , Individuals or CORP

100% Control

2) Limited Partners

H/W, Individuals or Children

0% Control



The Charging Order

- **Assets:** 0 %
- **Income:** %

Income
\$100,000



The Charging Order

- **Assets:** 0 %
- **Income:** 0 %

**Must first
be distributed!**

**Creditor Must Pay Income Taxes
on Undistributed Income**

**Income
\$100,000**

**Year 1977
#77-137**



Are All FLPs The Same?

Our Law Firm's FLP

- Distribute income on a non-pro-rata basis
- Dozens of unique asset protection clauses
- Over 30 years experience specializing in asset protection



Limited Liability Company (LLC)

- 1977 Wyoming created a new legal entity
- Blend Elements of Corporations and Limited Partnerships
- Due to uncertainty over the tax treatment no other states introduced LLC legislation
- 1988, the IRS issued a revenue ruling stating that it would treat a Wyoming-style LLC as a partnership for tax purposes
- By 1996, nearly every state had enacted an LLC statute.



Limited Liability Company (LLC)

Corporation

- Tax Advantages
- Management

LLC

FLP

Charging
Order

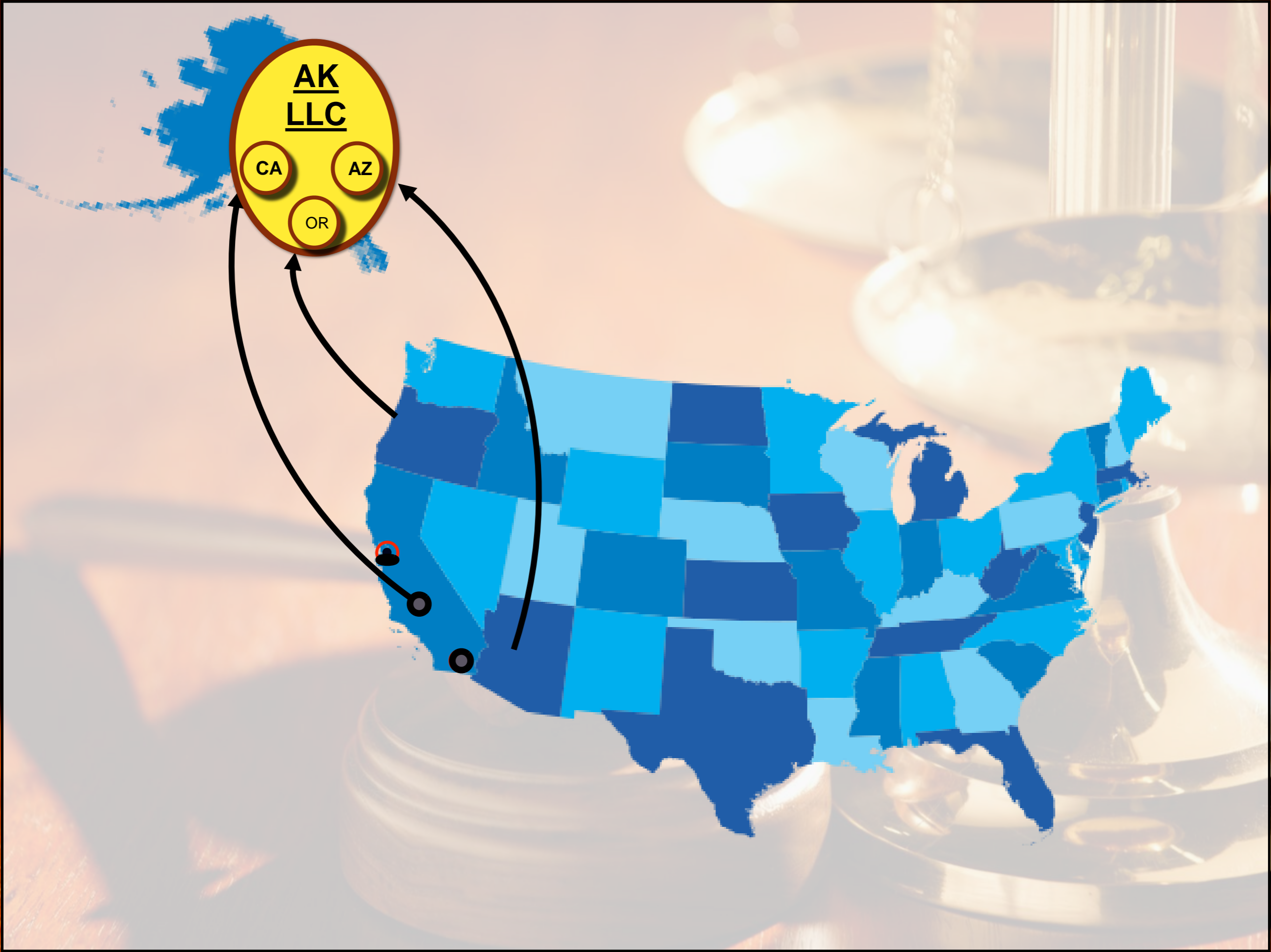


AK
LLC

CA

AZ

OR



SAFE
ASSETS



LLC/FLP

HOME



REAL
ESTATE



REAL
ESTATE



BUSINESS



EQUIP.



OFFICE

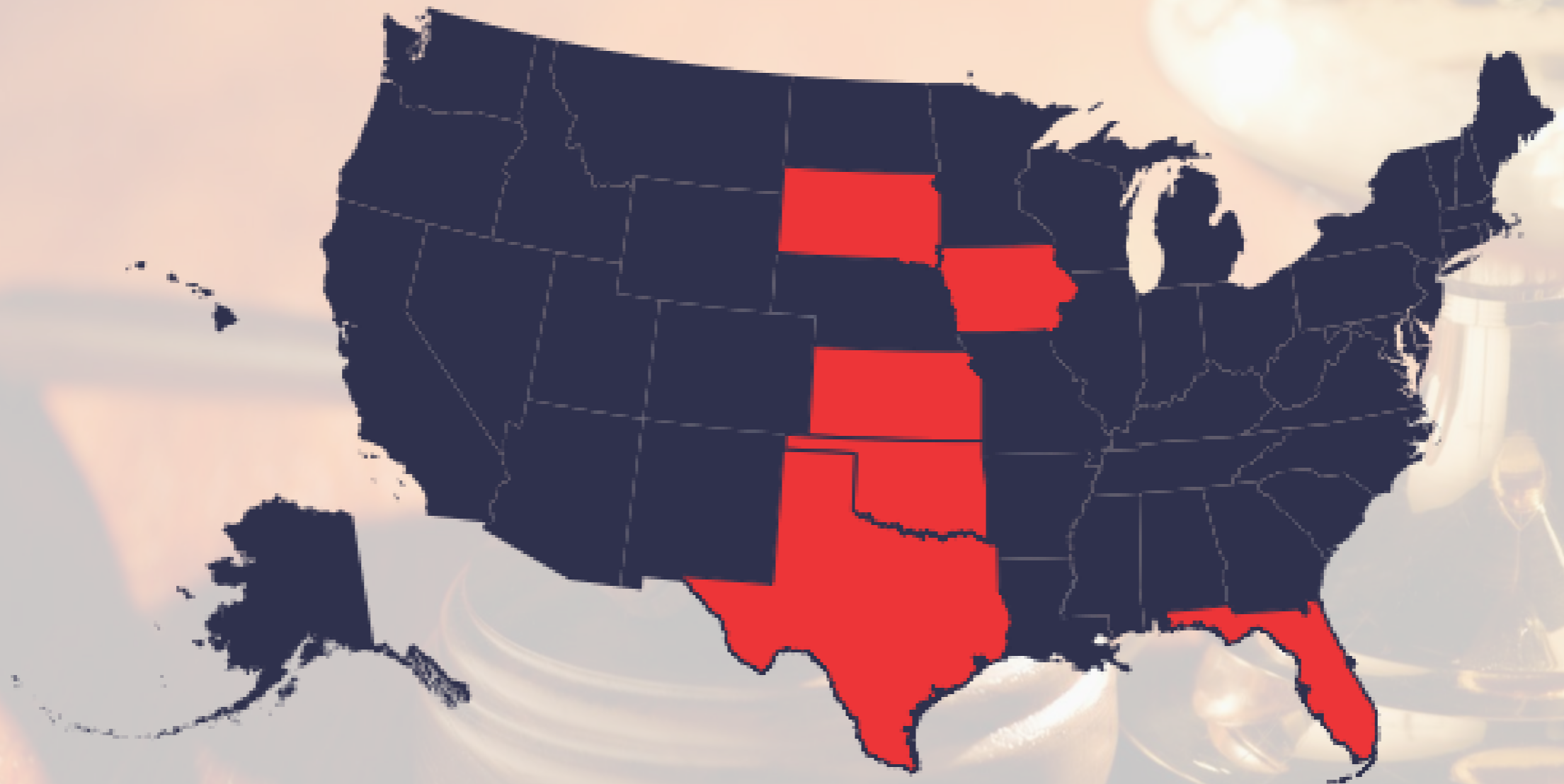


INT.
PROP.



Protecting Your Home

Homestead Laws



SAFE
ASSETS



LLC/FLP

HOME



LLC/FLP

REAL
ESTATE



LLC/FLP

REAL
ESTATE



LLC/FLP

BUSINESS

Leasing

EQUIP.

OFFICE

INT. PROP.

LLC

EQUIP.



LLC/FLP

OFFICE



LLC/FLP

INT.
PROP.



LLC/FLP





Pass Assets to Heirs Probate & Tax Free

“Setting up an effective estate plan is one of the most loving things you can do for your family.”

-G. Kent Mangelson



I'm a performance piece entitled,
"The Probate Experience".



3 Probate Problems

- 1) It is expensive**
- 2) It is a lengthy process**
- 3) It is an invasion of privacy**



What is Probate?

Steps of Probate

1. An executor is appointed to administer the estate.
2. The court determines the validity of the will
3. The assets of the deceased are identified and inventoried.
4. The value of the assets is determined.
5. The deceased's debts and taxes are paid.
6. The remaining assets are distributed according to the deceased's will or, if there is no will, the assets are distributed according to state law.



What If I Have a Will?



Living Trust

A Revocable Living Trust is used to:

- Avoid probate
- Create a timely and systematic distribution of your assets upon your death
- Keep your estate private
- Reduce or eliminate estate taxes



Creating a Living Trust

- Name the trust
- Designate where you would like your assets to go upon your death
- Sign and notarized the document
- Not required to file with state
- No tax ID or tax returns required
- Is Revocable



Funding the Living Trust

Assets with Title

Change Title to Name of Living Trust

Assets without Title

Write Description on Schedule "A"

Interest in Entities

Hold Interest in Name of Living Trust



Federal Estate Taxes

| Year | Individual Estate Tax Exemption | Top Estate Tax Rate |
|------|---------------------------------|---------------------|
| 2001 | \$675,000 | 55% |
| 2002 | \$1,000,000 | 50% |
| 2004 | \$1,500,000 | 48% |
| 2006 | \$2,000,000 | 46% |
| 2009 | \$3,500,000 | 45% |
| 2010 | No Estate Tax | 0% |
| 2011 | \$5,000,000 | 35% |
| 2012 | \$5,125,000 | 35% |
| 2015 | \$5,430,000 | 40% |
| 2017 | \$5,490,000 | 40% |
| 2018 | \$11,200,000 | 40% |

*** Several States Still Assess an Estate Tax at the State Level***



Irrevocable Life Insurance Trust (ILIT)

I. L. I. T.



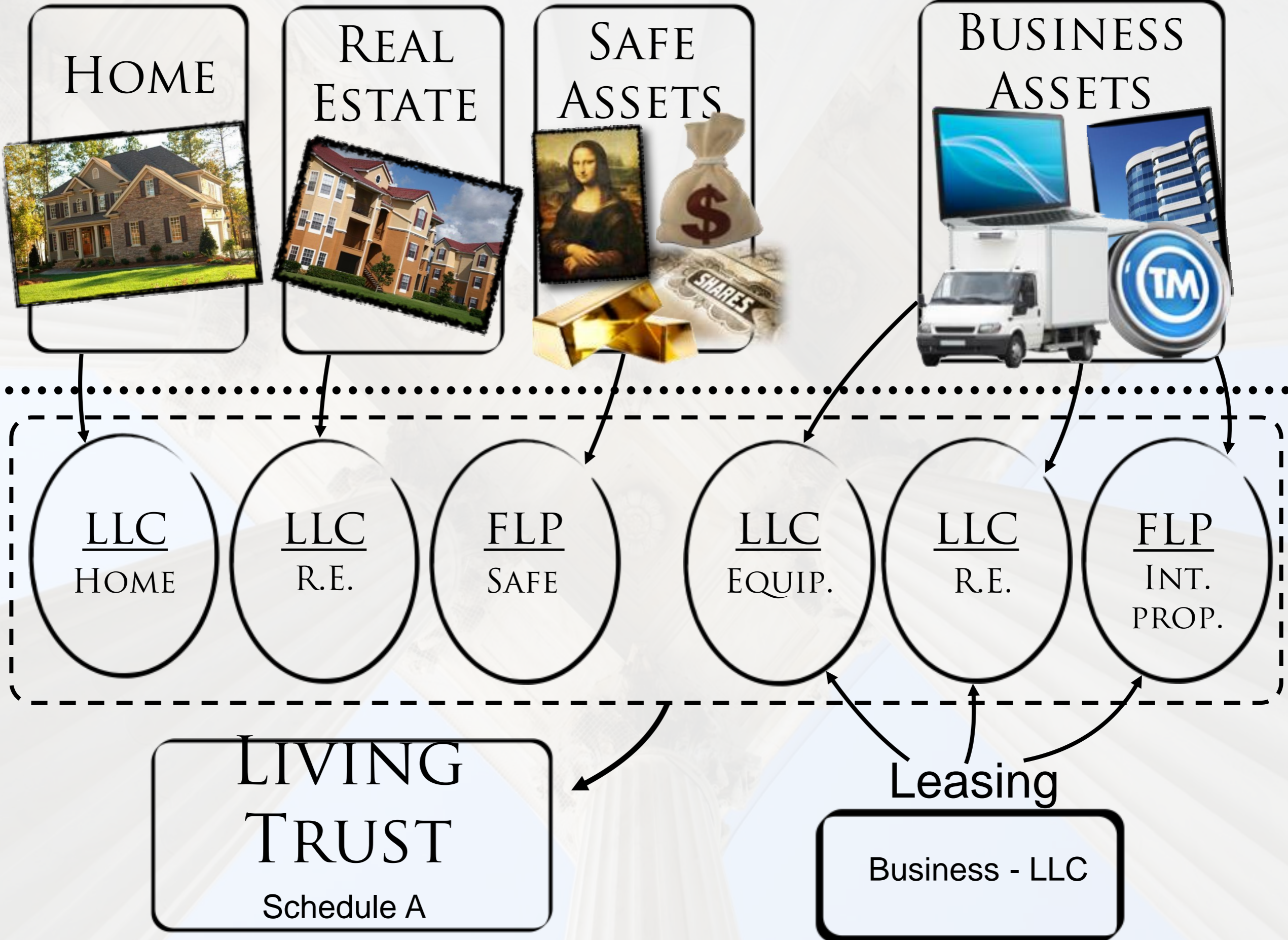
Without ILIT

| | |
|---------------------------------|------------------|
| Insurance Policy Proceeds | \$1,000,000 |
| Estate Taxes (40%) | \$400,000 |
| Benefit to Beneficiaries | \$600,000 |

With ILIT

| | |
|--|--------------------|
| Insurance Policy Proceeds | \$1,000,000 |
| Estate Taxes (ILIT Excludes Benefit from Estate) | \$0 |
| Benefit to Beneficiaries | \$1,000,000 |





HOME



REAL ESTATE



SAFE ASSETS



BUSINESS ASSETS



LLC
HOME

LLC
R.E.

FLP
SAFE

LLC
EQUIP.

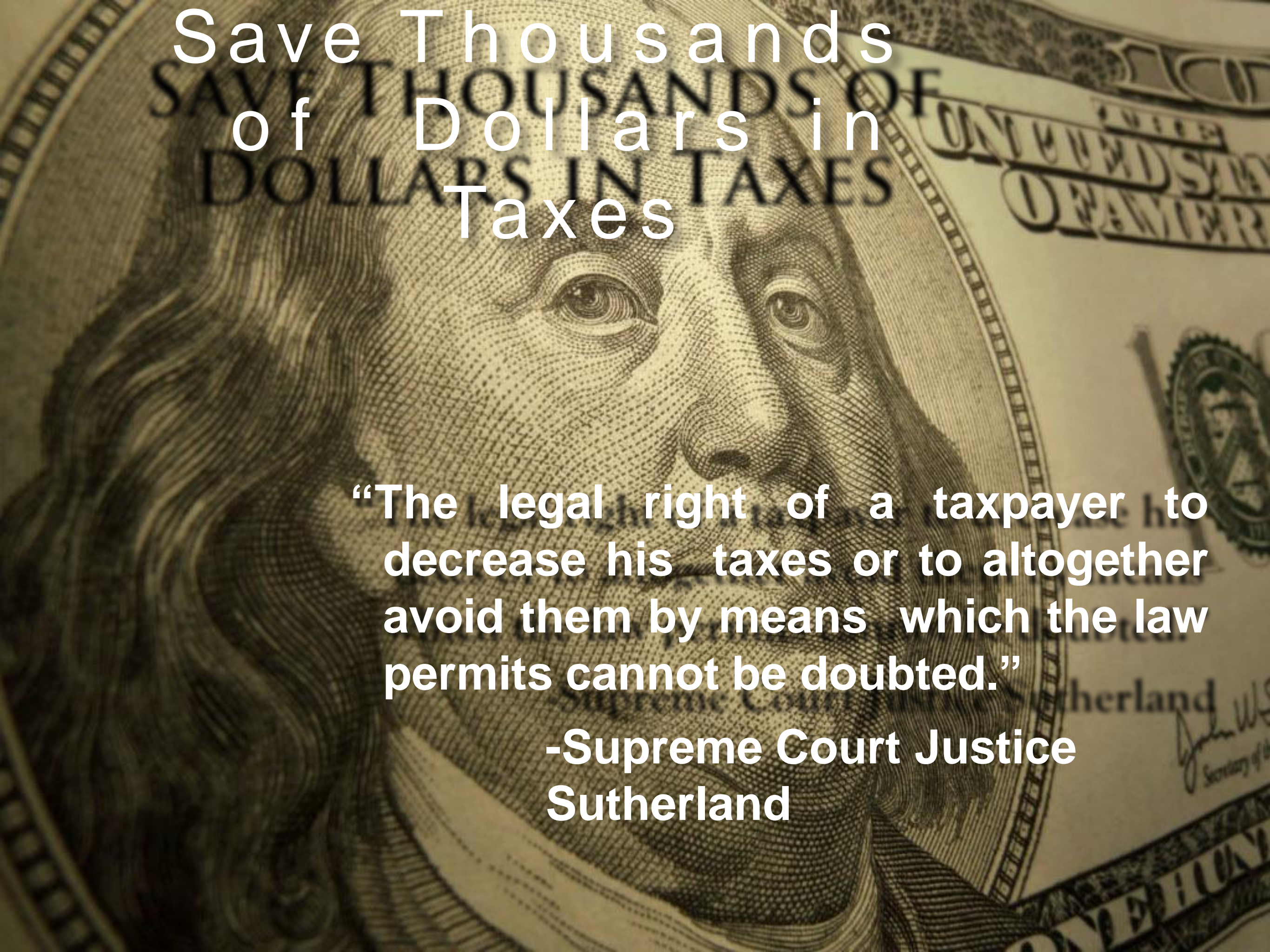
LLC
R.E.

FLP
INT.
PROP.

LIVING TRUST
Schedule A

Leasing

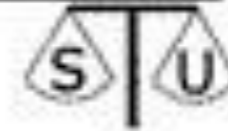
Business - LLC



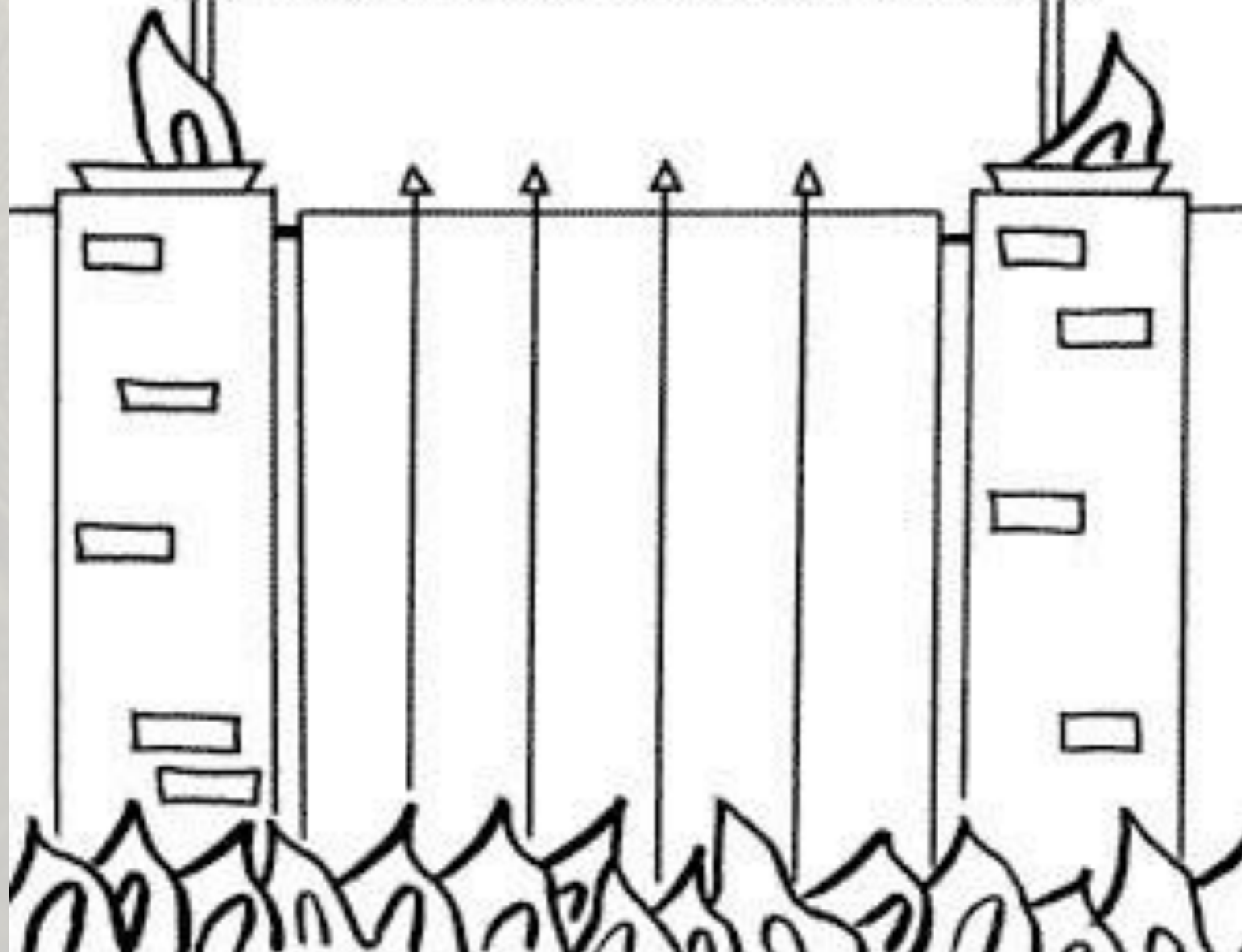
**Save Thousands
of Dollars in
Taxes**

“The legal right of a taxpayer to decrease his taxes or to altogether avoid them by means which the law permits cannot be doubted.”

**-Supreme Court Justice
Sutherland**



Welcome To
HELL
Proud Sponsor of the Internal Revenue Code

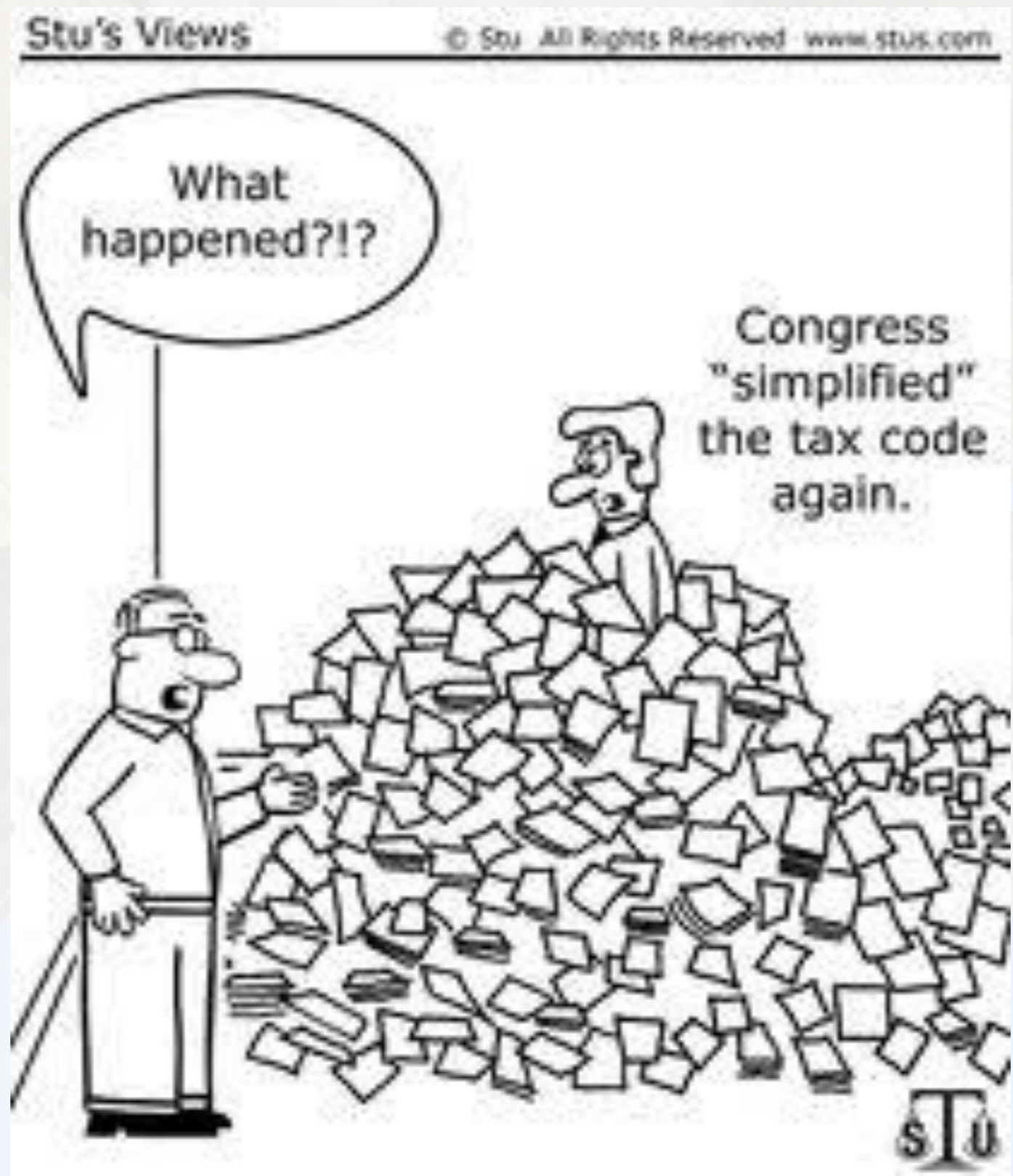


Tax Reduction

“Over and over again, courts have said that there is nothing sinister in arranging one’s affairs as to keep taxes as low as possible. Anyone may so arrange his affairs that his taxes shall be as low as possible; he is not bound to choose that pattern which will best pay the treasury; there is not even a patriotic duty to increase one’s taxes.”

-Judge Learned Hand

2018 Tax Cuts



5 Tax Reduction Strategies

- 1) Maximize Deductions
- 2) Create Non-Taxable Income
- 3) Spread Income
- 4) Defer Income
- 5) Proper Use of Entities

(Corporations, Charitable Remainder Trust, Non Profit Corporations, and Family Foundations)



Corporate Deduction List

Accounting Fees

Advertising

Calendars

- Newspaper
- Design work
- Radio/TV/Internet
- Graphic work
- Brochures
- Catalogues,
- Fliers & Leaflets
- Business Cards
- Yellow Pages
- Match books
- Signs
- Artwork
- Air Conditioning

Ammunition (For Corp.)

Assistants

Airplanes

- Purchase
- Leasing
- Maintenance
- Pilot Training

Automobiles

- Fuel
- Taxes
- Oil/Lube
- Depreciation
- Car Wash
- Anti-Freeze
- Repairs & Maint.
- Tires

Interest

- Licenses
- Registration
- Parking
- Tolls

Baby Sitting

Business Seminars

Business Publicity

- Business Licenses

Business Awards

- Prizes

- Trips

Books

Bad Debts

Bookkeeping

Business Consultants

Bonuses

Burglar Alarm Systems

Cleaning

Copiers

Calendars

Commissions to sales

Convention expense

Certified Audits

Course (Education)

Contributions - profit share

Charitable Contributions

Contract Labor

Copy rights

Club memberships

Cables

Carpentry

Directors fees

Depreciation

Disability plans

Depletion

Decorating

Discounts to customers

Dues

Electric bills

Entertainment (50%)

Meals

Beverages

Theatre

Night Club

Ball Games

Cruises

Hotel Shows

Catered (100%)

Factory Receivables

Finder's fees

File cabinets

Fire expense

Fire alarms

Financial

Consultants

Fact

Flood losses

Business insurance

Helpers

Hurricane losses

Heating

Internet

Interest

Invoicing

Insurance

Incorporating costs

Life insurance

Local transportation

Losses on sales

Losses on sales

Losses in business

Logo(s)

Lobbying expense

Legal Fees

Maintenance

Misc. Expenses

Messenger service

Moving expenses

Moving expo

Employees

Magazines

Meetings at resort

or luxury hotels

Machinery & Equipment

Mail

Medical reimbursement

plan

Under these plans
the Corporation
may pay all the
expenses of any
officer or employee.

Prescribed items include:

- Air conditioning
- Trips
- Health clubs
- Special equip.
- Special foods
- Therapy
- Vitamins & Minerals
- Wheelchairs
- X-rays
- Transportation

State Industrial

Insurance

Newspapers

Overnight mail

Office expenses

Office rent

Office purchase

Office construction

Plumbing

Pension plans

Public relations

Professional literature

Paintings

Computers

Computer accessories

Printers

Fax machines

Fax paper

Payroll taxes

Part time help

Printing

Postage

Patents

Retreats, corp.

meetings

Seminars

Rent

Repairs

Refuse collection

Records

Travel

Tips

Theft losses

Training programs

Trade marks

University, further

education

Uniforms

Cost of cleaning

All the following are tax deductible expenses that may be paid by your corp. and deducted as expense items provided they are related to the conduct of the corporations business and/or fringe benefits of its officers and employees. These deductions are taken prior to computing the corporation's taxable income. This list is not intended to be all-inclusive, but merely to provoke and stimulate your creative thinking and to be a guide

2018 Tax Change Highlights

Corporate Tax Rate reduced to 21% (was 15-35%) for “C” Corporations

Corporate AMT Repealed

New Internal Revenue Code §199A applies to owners of **pass-through entities**.

(S-Corp, Partnership, Disregarded)
Can deduct 20% of “Qualified Business Income”.

- **KIDDIE TAX LAWS:**

First \$1,050 is tax-exempt

- Next \$1,050 is taxed at the child’s rate (generally, 10%)
- Excess over \$2,100 is taxed at the parents’ rate

5 Tax Reduction Strategies

Proper Use of Entities

Using S Corp to Minimize Social Security and Medicare Taxes

Sole Proprietor

| | |
|---|-----------------|
| Profit (Subject to SS and Medicare Tax) | \$120,000 |
| Social Security and Medicare Tax (15.3%) | \$17,300 |

S-Corporation

| | |
|---|----------------|
| Profit (Flows to you as W-2 and K-1 Income) | \$100,000 |
| Salary (W-2) (Subject to SS and Medicare tax) | \$40,000 |
| Profit (K-1) (Not subject to SS and Medicare tax) | \$60,000 |
| Social Security/Medicare Tax (15.3%) | \$6,120 |
| Tax Savings using an S-Corp | \$9,180 |

NOTE: 2018 §199A K-1 Deduction will save an additional \$4,440 for those in the highest tax bracket (\$60,000*.2= \$12,000*.37%)

Maintaining Legal Entities



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Maintaining Legal Entities



The highest quality machinery in the world will not stay running long without adequate maintenance.

The best legal structure will not protect your estate unless the business entities are properly maintained.



Maintaining Legal Entities

1. Keep Your Formalities

- **Meetings, Minutes, & Resolutions**
- **Corporate Bylaws**
- **LLC & LP Operating Agreements**
- **State Filing Fees**
- **Issue Stock Certificates**
- **State Stock Ledger**
- **Tax ID Number**



Maintaining Legal Entities

1. Keep Your Formalities (continued)

- **Sign Documents using the Proper Title**
- **Tax Returns & Estimated Payments**
- **Relationship Documents**
- **Proper Funding**
- **Adequate Capitalization**
- **Business Licenses**
- **Advertising.**



Maintaining Legal Entities

2. Preserve Personal Solvency

Keep some assets in your personal name such as:

- **Personal Automobiles**
- **Household Checking Account**
(Adequate Funds to Satisfy Basic Living Expenses)
- **Stock in S-Corporations**
- **Retirement Accounts**
- **Personal Residence (?)**



Maintaining Legal Entities

3. Avoid Fraudulent Conveyances

Remember:

Don't Commit Fraud!



Maintaining Legal Entities

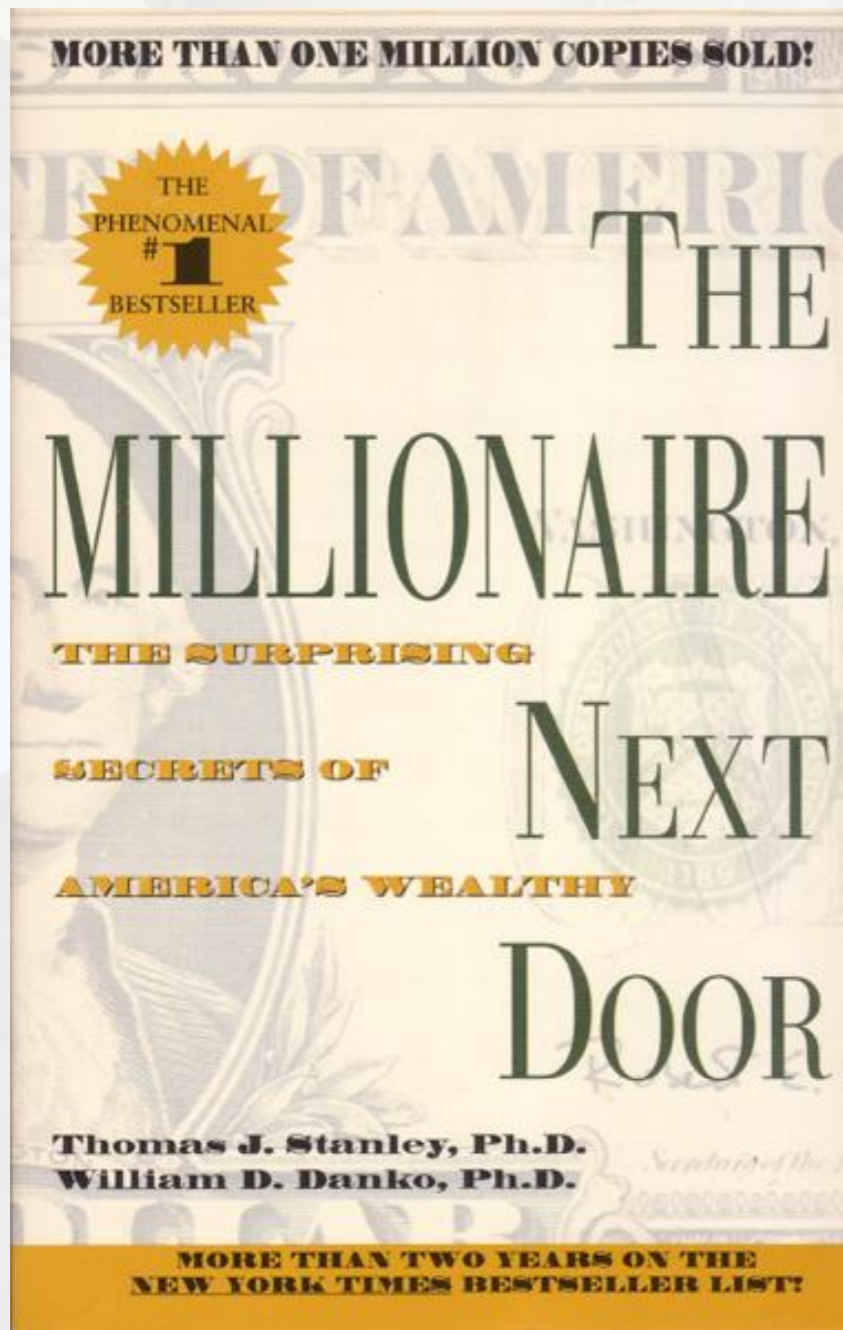
4. Legal Separation

- Adequate Business Purpose for all accounting transactions
- Distinct Bank Accounts
- Separate Bookkeeping
- Unrelated Tax Returns
- Documented Loans

Note: Avoid co-mingling of personal funds or funds from other businesses!



Your Asset Protection Blueprint



“Your ability to hire high-grade financial advisors is directly related to your propensity to accumulate wealth.”



Confidential Questionnaire

7. List the values of all assets to be protected (estimate):

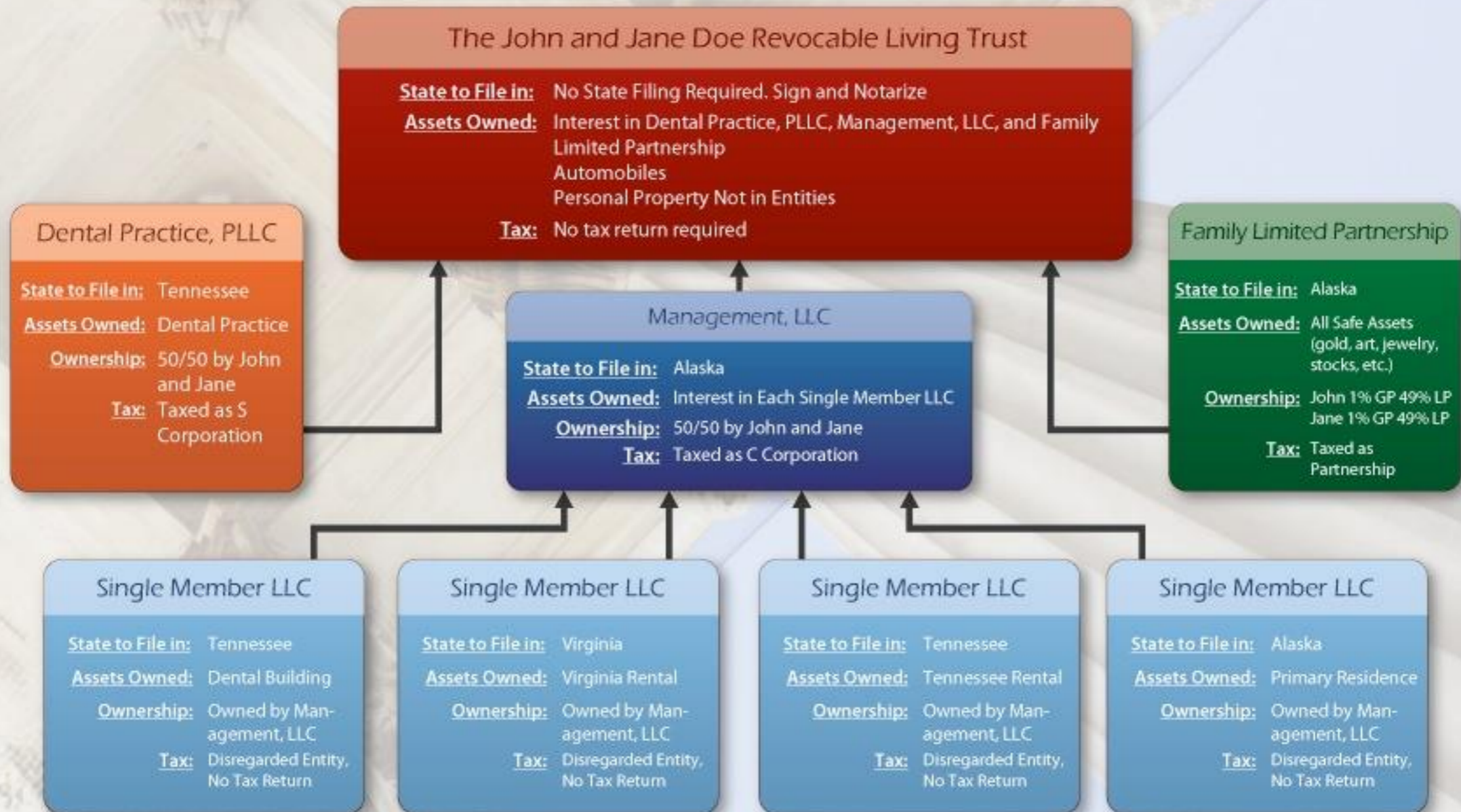
| ASSETS: | Value in \$ | How Titled/ Type of Entity |
|-----------------------------|-------------|----------------------------|
| Cash: | \$ 10000 | |
| Money Market Accounts: | \$ | |
| Savings Accounts & CDs: | \$ 50000 | |
| Stocks: | \$ 150000 | |
| Mutual Funds: | \$ | |
| Bonds: | \$ | |
| Metals (gold, silver, etc): | \$ 10000 | |
| Home(s): * | \$ 500000 | |
| Investment Real Estate: * | \$ 200000 | |
| Investment Real Estate II: | \$ 200000 | |
| Business Interests: * | \$ 1000000 | |
| Business Interests II: | \$ 500000 | Building |
| Automobiles: | \$ 30000 | |
| Automobiles II: | \$ 30000 | |
| IRA Assets: | \$ | |
| Other Retirement Assets: | \$ 1000000 | |
| Other Assets: | \$ 20000 | Art, Jewelry |
| Other Assets: | \$ | |
| <hr/> | | |
| TOTAL ASSETS: | \$ 3700000 | |

| LIABILITIES: | |
|--------------------------|------------|
| Home Mortgages: | \$ 100000 |
| Other R/E Mortgages: | \$ 400000 |
| Other: | \$ 200000 |
| Other: | \$ |
| Other: | \$ |
| Other: | \$ |
| Other: | \$ |
| <hr/> | |
| TOTAL LIABILITIES: | \$ 700000 |
| <hr/> | |
| Calculating Net... ▶ | |
| | \$ 3000000 |
| Insurance on You: | \$ 1000000 |
| Insurance on Spouse: | \$ 500000 |
| Last Survivor Insurance: | \$ |
| <hr/> | |
| TOTAL INSURANCE: | \$ 1500000 |

* Please provide details on each: property, entity, nature of business, offices held, percentage of ownership, etc.

SAMPLE BLUEPRINT*

(for John and Jane Doe)



Single Member LLCs Note: Single Member LLCs are "disregarded" for federal tax filing purposes. This means that no tax returns are required. Any income/loss activity appears on the return of the entity owner, which is Management, LLC

Retirement Assets: Retirement principal is 100% exempt from creditors by Tennessee state law – Tenn. Code Ann. §26-2-105

Tennessee Homestead Law: Amount of equity in primary residence protected from creditors by state law:
 \$7,500 unmarried - \$12,500 unmarried - \$20,000 married and one spouse 62+ - \$25,000 married and both spouses 62+
 Tenn. Code Ann. § 26-2-30

Irrevocable Life Insurance Trust: Holds insurance policies for the life of John

Your Asset Protection Blueprint

Question #4 “Are you involved in any current or potential litigation?”

Fraudulent Conveyance



Question and Answer

**It's Taken Years to
Accumulate Your Assets.
Now It's Time to Protect
Them!**

www.BluePrintNow.com

