



LAWSUIT PROOF

QUESTION

ANSWER

Why you Need Asset Protection?	The Litigation Explosion, The Deep Pocket Defendant, High Risk Occupations, General Business Risks
Why you will probably get sued?	Dangerous contracts, Negligence: Looking for Someone to Blame, The Problems with Employees, The Big Foot of the Government, Beating up the Competition, Paying Your Partner's Debts
What Happens in a Lawsuit?	Are you Worth Suing? Plaintiff's Cost to sue you, The search of the Big Bucks, Defendant's Cost, The night Begins, They Will File Pre-Judgment Attachments, Buying the Opposition, Trial, Collecting From You, The Wolf at your Door
What are the Steps for Complete Asset Protection?	* Reduce your Lawsuit Exposure Avoid Business Partnerships, Use a Corporation to do Business, Never Give a Personal Guarantee, Use Multiple Entities, * Protect Assets with a Family Limited Partnership * Use an Asset Protection Trust, * Make Estate Planning Decisions, * GET COMPETENT PROFESSIONAL ADVICE.
How do I avoid Lawsuits?	Stop Making people Angry, People who might sue are generally angry because you did not treat them well. You did not give them the services or products you promised, If your tenant is upset \$50 of repairs done will do you good. 5. Researcher indicates the higher you earn you arête more likely you will be sued.
	Learn to disagree without being disagreeable its all right to be assertive, but not aggressive not abusive or abrasive.
	When someone says something with which you disagree, try not be judgmental.
	Be kind and courteous to everyone, Your Attitude is more important than your aptitude.
	Mutual respect is the key to voiding conflict. Give the others person a chance to be heard without interrupting.
	Have subcontractor instead of Employee. Hire License, Bonded a insured contractors to do repair work.
	Do not drive a lot if you can effort it buy the car and hire someone to drive you around.
	The more you have, the more likely you are to get sued
How to protect bank Account from Lawsuits & Judgments	Have a professional prepare an Irrevocable Spendthrift Trust.
	Get assets out of your name that sound silly, but most wealthy people do not put possessions in their name. You may want to do the same if you are concerned about asset Protection.

Sources: on Line www.eshow.com and Lawsuit Proof by Robert J. Mintz, James J. Rubens

How to Protect Bank Accounts From Lawsuits & Judgement

Every year, more and more litigants file civil lawsuits in American courts. With the number of both legitimate and frivolous suits on the rise, you should consider taking steps to protect your assets – including checking or savings accounts. When evaluating the merits of a potential lawsuit, many lawyers now view the assets of possible defendants as one of the most important factors. You never know when you will be involved in a lawsuit: therefore, protect your bank accounts now before they are subject to forfeiture.

Download a template document for an irrevocable trust agreement (see Resources). This type of trust protects assets from seizure from creditors or third parties – even ones with judgments awarded in a lawsuit.

- Visit a knowledgeable trust attorney and ask for a review of your agreement and to ensure it is valid and enforceable in your state. Alternatively, hire the attorney to draft the irrevocable trust agreement for you.
- Designate someone to serve as trustee for the **spendthrift trust**. Select only someone you trust and who understands your financial goals and needs.

When facing a lawsuit and a possible judgment against you, protecting your assets is crucial. Like many people you likely maintain a share of your money in a bank account. Protecting your bank account is a key element of an overall plan of action to shield your assets from seizure if a judgment is entered against you in a lawsuit. The most effective way to protect a bank account from judgment following a lawsuit is setting up and placing your account into a trust.

Obtain a sample or standard form for an irrevocable spendthrift trust. **An irrevocable spendthrift trust** specifically is designed to protect your assets from seizure by a creditor, including for a judgment arising out of a lawsuit.

Designate a person to serve as your trustee. You must not only select a person with experience and whom you trust but an individual that understands your financial needs and desires.

How to Protect Your Assets When Getting Sued

By Beverly Bird

If someone has already sued you, it's too late to protect your assets. The time to take action is before you get involved in a lawsuit. Several options exist, but if you implement them too late, the court may consider they're an intentional effort to defraud individuals or companies to whom you owe money.

Living Trusts

Some living trusts can protect your assets when you transfer ownership of them from yourself to the trust entity. This isn't the case with revocable trusts, however. Revocable trusts allow you to undo them or move assets in and out of them at will so you technically retain ownership. You must form an irrevocable trust if you want to protect the assets you place in it, and this means relinquishing ownership. Forming an offshore trust is another option, but it's not without risk and it can be expensive. An offshore trust is created in another country, such as the Bahamas, where the laws grant revocable trust assets immunity from creditors and lawsuits. But you're entrusting the fruits of your labors to the vagaries of another government, and Congress has been clamping down on this means of asset protection with its own laws.

Transferring Assets

You may want to simply give your property away to your spouse or child, but this can be risky as well. If your relationship deteriorates for some reason, you may not be able to get your property back. You would have no legal right to the assets any longer, as would be the case if you moved them into an irrevocable trust. If you transfer your separate assets into your spouse's name then break up, many courts will rule they're now her property and not divisible in a divorce. Moreover, although you can give unlimited property to your spouse without incurring a gift tax, you can only give your children or others \$14,000 per year, as of 2014 – anything over and above this triggers the tax.

Insurance Coverage

If you're not comfortable transferring ownership to someone else or to an irrevocable trust, check your insurance coverage. If your gazebo crashes down on someone who's enjoying your lovely backyard and he sues you for his injuries, your insurance company is obligated to defend you if you have umbrella coverage. If you lose the lawsuit, your assets aren't typically at stake.

Protected Assets

Not all assets are vulnerable to lawsuits in any event. Federal law holds ERISA retirement plans out of the reach of creditors. Some state laws extend this to traditional IRAs as well. Many states provide homestead exemptions for real property you live in, or at least a portion of the home's equity. If you're married and hold title to your primary home with your spouse as tenants by the entirety, it's typically safe from creditors, including those you owe because you lost a lawsuit.

Encumbering Assets

If you encumber assets by using them as security for loans, there may be no equity in them because the lienholders are already first in line. This may discourage someone from filing a lawsuit against you in the first place – he's not likely to be able to collect on any judgment the court awards him. But speak with an attorney before taking this route. You'll still owe the loan or loans you took out, and if the proceeds are cash sitting in a bank account, this could be up for grabs in a lawsuit.

Fraudulent Conveyances

The trick is to implement any asset protection plan well in advance of needing one. This means when nothing has occurred that could give rise to a lawsuit. It's the event or cause of action that marks the difference between honest planning and trying to elude your creditors or a judgment collector. In most states, fraudulent conveyance is against the law, even if you transfer your assets into a trust.