

DON'T BE AN EASY TARGET FOR A LAWSUIT—SIMPLE ASSET PROTECTION STRATEGIES COULD SAVE YOU A FORTUNE!

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People often think of “asset protection” as the hiding of assets in off-shore accounts, forming “dummy” corporations and operating in the shadows. Asset protection is a much broader legal concept that is applicable and advisable for literally every owner of real estate as well as for owners of significant other types of assets. This article is intended for owners of investment property, but asset protection planning takes many forms and should be something everyone of even modest means should contemplate. Aside from the risks of owning real estate, there are other financial liabilities people should plan for such as medical expenses, nursing home care and disability.

Asset protection planning is, essentially, the legal organization of assets to provide maximum protection against losses and unwanted transfers. An asset protection plan makes your property less vulnerable to aggressive creditors and less susceptible to unwanted transfers that can be compelled by unexpected events or even death. A good asset protection plan includes sound estate planning and is intended to provide a heightened level of security over your affairs in a global sense.

In today’s litigious world, owners of real estate, in particular, are fighting an increasingly intense war against claims based on lead paint, asbestos, radon, low level radiation, ground contamination, terrorist attacks, civil disruption, and now, even the presence of molds are generating massive losses because of relentless litigation and remediation costs. Yes, insurance helps and sometimes saves the day. But increasingly, the insurance companies are successfully weaving into their policies exclusions from some of the very things that pose the highest potential risks to your financial well being. *I challenge you to dig out your property insurance policy and read the section on “exclusions.”* Many of you will be shocked and properly alarmed to see how vulnerable your assets really are.

You *can* fight back! Do not allow yourself, and all of those assets that you worked all of your life to achieve, be an easy target. Do not be the “low hanging fruit” for some aggressive personal injury law firm. Engage a competent attorney to conduct a comprehensive review of all of your business affairs, including your business and personal assets. Think of it in the same way as you do about going to your doctor for a physical. Do not wait until you are being sued or are in financial trouble. In many cases, it is too late at that point to employ some of the most effective asset planning techniques.

Asset planning is not a mysterious process but is practiced widely today by many. It can include such fundamentally simple things as holding assets in one or more entities that provide protective veils for its owners. Obvious examples include forming a limit

liability company or a corporation instead of owning the real estate individually or as a general partnership. This is nothing new but it is truly amazing how many owners have failed to take even such elementary protective measures.

Owners of multiple assets and significant wealth must employ more complex and sophisticated asset planning techniques. Such include layers of ownership entities, carefully planned transfers, coordinated financings, multiple bank accounts in various institutions, succession planning and carefully coordinated estate planning. Estate planning will include not only an updated will but can include the placement of assets and other wealth in various types of domestic and foreign trusts, including medicaid trusts.

Asset protection planning, then, should be a “big picture” examination of all of your assets and affairs. The examination should then lead to a comprehensive plan that provides a coordinated and logical approach to providing (a) a protective “shield” around you and your family against risks and liabilities and (b) a logical and effective approach to the distribution and preservation of assets in the event of your passing. Do not wait until you are faced with financial catastrophe. Call and set an appointment with your attorney today. The cost of asset protection planning is nothing compared to what you could lose by failing to protect yourself and your family.

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