



### **Counselor, Cover Thy Assets!**

Don't think anyone is interested in your assets? Think again! As a member of the legal profession, you are particularly vulnerable. You probably have substantial assets and are involved in complex business arrangements. And, like many attorneys, you may be so busy protecting your clients' interests that you neglect your own.

In today's litigious world, proper shielding can fend off claims against your personal and business assets. Simple strategies include:

- **Joint ownership** — A creditor's easiest pickings are land, cars, planes, brokerage accounts and bank accounts in your name alone. Thus, joint property can be unappealing to creditors. But don't fall into the trap of joint ownership with your spouse. Your best bet is to share property with someone who has different creditors than you.
- **Gifting** — Another option is to give assets away. For example, give your children stock or your vacation home, or sign your boat over to your sister or brother. You can gift up to \$12,000 per year tax-free. But the downside is obvious: Gifting leaves you with no legal control of the property.
- **Tenancy-by-the-entirety** — To protect what is often your biggest asset, throw potential creditors a curve with what is known as *tenancy-by-the-entirety* ownership of your home. This differs from joint tenancy in that neither spouse can convey his or her interest or force a partition of the property without the other spouse's consent.
- **Family Limited Partnerships** — A much more involved step is to create a family limited partnership (FLP). An FLP generally protects assets on the principle that limited partners own partnership interests of the protected assets — not the assets themselves. Note that if a court rules that the FLP was set up solely to protect assets, creditors may be allowed access.

*Our accounting professionals can help with the complexities of asset protection. Schedule an appointment today to learn more.*

