

# ESTATE PLANNING & ASSET PROTECTION



APRIL 2013 IN THIS ISSUE:

## WHY YOU SHOULD CONTINUE TO REVIEW YOUR ESTATE PLAN

Nature awakens our estate planning senses through the arrival of spring. Follow the cycle of rebirth and renewal and get your estate plan updated if you have not already done so.

## BASIC BUSINESS STRUCTURES

Find out about the ways of legally structuring your business and the benefits of choosing one entity over another.

## THE BENEFITS OF GIVING

Answer the call of the humanitarian within while still keeping more money in your wallet with the help of a charitable remainder trust (CRT).



# WFP

WEALTH FAMILY PROTECTION  
*Attorneys at Law*

## WHEN LEGACY MATTERS

At Wild Felice & Partners, we implement estate planning and wealth transfer techniques such as the use of Florida Revocable Trusts and Irrevocable Trusts, Family Limited Partnerships, Limited Liability Companies and other advanced estate planning tools to help our clients avoid probate and limit or eliminate estate tax burdens on family members. We realize that each client is unique and every plan is tailored accordingly to every individual need. Our firm aims to shed the tax attorney paradigm and focus instead on the dynamic relationships between our clients and their loved ones. WFP Law realizes that estate planning is truly for the loved ones that we leave behind.

**It's a Wild world. Are you protected?**



*Protecting What You Value Most Through  
Estate Planning and Asset Protection*

## PROVIDING SOLUTIONS THAT SECURE AND ENHANCE YOUR WEALTH AND YOUR LEGACY

Everyone understands the benefits of having insurance to protect your assets from unanticipated events. Hazard and casualty insurance is necessary to provide protection from the risks of fire, floods, and wind damage. Liability insurance is necessary to provide protection from the risks of auto accidents and personal injury. But what can you do to protect your assets from claims in excess of your insurance or from risks of lawsuits or from unexpected business liabilities or from an overabundance of tax consequences? Fortunately having an asset protection plan in place can help insulate you from these potentially significant risks.

We believe in providing you with effective solutions so that you can have confidence that your assets and your legacy are protected. An effective asset protection plan needs to be in place before a lawsuit or claim is made against you, and well in advance of your retirement or death, so it is important to take the step toward greater protection today.

## ESTATE PLANNING UPDATES: NOT JUST "SET IT AND FORGET IT"

Over 70 percent of all Americans have no estate planning documents whatsoever. Of the 30 percent that do, most have only basic documents like a Last Will and Testament, with no regard to probate avoidance, estate tax reduction or asset protection. Of those people that do incorporate a Revocable Living Trust into their foundational estate plan, over 90 percent will leave the trust underfunded or unfunded at death, causing the unnecessary loss of assets and unnecessary delay of distribution. Some basic estate planning upkeep could alleviate all of these concerns.

Your estate plan should be reviewed with an attorney at least once every 3 to 5 years. I review my clients' estate plans each year to

determine if any changes need to be made due to a change in tax law (as happened in 2010), legal drafting requirements (as happened in 2005) or the Probate Code (as happens most years). However, the more pressing changes almost always occur on the personal side of the equation.

Over the course of every 5 year period, most families will see a birth, a death, a marriage or a divorce and this event could cause the need for an amendment to the estate plans of the individual members of that family. Additionally, the beneficiaries might be at different ages or competency levels and the Trustees, Personal Representatives and Guardians might be in different stages in life, areas of the country or financial levels than they were when you originally drafted your plan, which would cause the immediate need to revise and choose new role players.

WFP Law is a full-service, Fort Lauderdale, Florida based law firm with a specialty in asset protection. We utilize a combination of estate planning, real estate law, corporate formation, family law, and asset structuring to assure that our clients are protected from potential litigation, creditors, and any other threats that may be looming. A properly designed asset protection plan can accomplish many of your most important objectives:

- Protection of family savings and investments from lawsuits and claims.
- Protection against inadequate or unavailable insurance coverage.
- Insulation of rental properties reducing your exposure to potential lawsuits.
- Protection of business assets and accounts receivable from potential claims.
- Elimination of probate.
- Reduction of estate taxes.

### **It's a Wild world. Are you protected?**



*Every American should have an estate plan in place but the need for comprehensive estate planning is even greater when you have children.*

Another consideration is the age of your attorney. Your estate planning attorney needs to be able to walk your children or other beneficiaries through the administration process. Is your attorney still alive? Is he still practicing? Will he still be practicing when you die? Does he practice in the state in which you currently live?

Any estate planning attorney should give you a free consultation for the review of your estate plan. An ounce of prevention is worth a pound of cure. A simple review and possible amendment to your estate plan today will save your family large amounts of money and time after you are gone.

## THE FORM OF YOUR BUSINESS SHOULDN'T BE LEFT TO AN ONLINE BUSINESS FORM

If you own a business, you may as well wear a sign that says "Please Sue Me." The general belief of the public is that a business owner is very wealthy and highly insured, which leads to an easy payday if they can make a claim that you did something wrong or that the result of something you did correctly was not ideal for them. In this economy, the problem of frivolous lawsuits has grown even worse. About 50 million lawsuits are filed each year; if you earn a dollar, there is someone out there trying to take it from you. Implementing a comprehensive asset protection plan is an absolute necessity.

The first step in the protection of a business is to choose the right form of business entity. You should always choose an entity that limits your personal exposure. Many people set up limited liability partnerships (LLPs) or limited liability companies (LLCs). Limited liability partnerships operate similarly to general partnerships except one partner is generally not liable for the negligence of the other partner. Another advantage of structuring an LLP is that income taxes are passed through the business to the partner's individual income tax return. Similarly, a limited liability company has advantages because it combines the positive aspects of corporate liability protection and has the similar tax advantages of the LLP.

The most important step you can take as a professional looking to insulate yourself from any liability arising from your practice and protect your personal assets is to conduct a risk management and liability audit. Business structure, policies, procedures, operations and contracts need to all be reviewed in order to create an airtight asset protection plan. As your asset protection attorney, WFP Law is able to identify problems before they turn into lawsuits. The earlier we find a breach in your armor, the more successful we will be in shielding you from any loss. If you wait until you are served with a lawsuit to form your asset protection strategy, it may prove to be too late.



## GIVE OF YOURSELF AND THE IRS MAY TAKE LESS FROM YOU

Answer the call of the humanitarian within while still keeping more money in your wallet with the help of a charitable remainder trust (CRT).

Establishing a charitable trust is an ideal way to donate to a charitable organization and do some good for mankind. However, there are more perks to becoming a benevolent Philanthropist than just attaining some spiritual and moral integrity. You can claim an income tax deduction, receive an additional stream of income, kiss capital gains good-bye, reduce estate taxes and augment your retirement plan.

The most common type of charitable trust is a Charitable Remainder Trust (CRT). Typically, the charity of your choosing becomes the trustee and manages or invests your money for income-generating purposes. The charity then pays you (or a recipient you name) a percentage for the number of years you specify or after your death. When the terms of the trust expire, the assets become the property of the charity.

With regard to capital gains, any appreciated property you put into the trust can be converted into cash tax-free. For example, if you bought stock 20 years ago for \$20,000 and now it's worth \$300,000, you can transfer the stock into the trust. When the charity sells the stock, the IRS will not be able to dip into the \$280,000 profit.

Now, what about your children? They might feel a little bit disgruntled to learn that you designated your charitable organization as your beneficiary. You might want to consider establishing The Legacy Trust to supplement the CRT. Under this strategy, your children will be able to receive a cash distribution upon your death. The Legacy Trust subdivides into individual trusts for each of your heirs.

The other type of trust is the Charitable Lead Trust. This is just the mirror image of the remainder trust. The donor retains control of his or her assets and the charities become the recipients of the steady stream of income during the donor's lifetime.

So, the moral of the story is- do some charity for others and Uncle Sam will show some charity to you.

**It's a Wild world. Are you protected?**

## DID YOU KNOW?

**WFP LAW IS A MULTI-LINGUAL AND MULTI-NATIONAL LAW FIRM**

*We realize that estate planning is not only specific to each family dynamic, each level of wealth and each desire of legacy but that religion, culture, language and country of origin also play a large part in forming our views about estate planning.*

*Our newest partner, Fernando Orrego, was born in Columbia and speaks Spanish fluently, as does one of our newest associates, Patricia Keyes, who specializes in Elder care and Guardianships.*

*Our newest assistant speaks Russian fluently and we have many religions, creeds, nationalities and cultures represented by our attorneys and staff. If it is important to our clients, it is important to us and we now have the ability to empathize and relate in more than just one way.*

For more information on successful Florida estate planning and asset protection techniques, please contact the South Florida law firm of WFP Law at 954-944-2855 or via email at [info@wfpaw.com](mailto:info@wfpaw.com) to schedule your free consultation. **It's a Wild world. Are you protected?**



**I am honored to be nominated as  
Man/Woman of the Year for The Leukemia &  
Lymphoma Society (LLS) of South Florida!!**



**IN THE NEXT ISSUE:**

**COLLEGE PLANNING EDITION**

**THE IMPORTANCE OF HAVING THE PROPER DOCUMENTS FOR EMERGENCY SITUATIONS**

Without a Designation of Health Care Surrogate and Durable Power of Attorney, you will have no ability to protect your college student while they are away at school.

**MAXIMIZING FINANCIAL AID THROUGH THE USE OF AN IRREVOCABLE TRUST**

Keeping assets out of your child's name will reduce the Expected Family Contribution and increase scholarships and grants.

**RETAINING DOMICILE IN FLORIDA WHILE LIVING TEMPORARILY IN ANOTHER STATE**

There is no "6 month and a day" rule in Florida.

**I'm raising money for a very important cause, through The Leukemia & Lymphoma Society's Man & Woman of the Year: finding better treatments and cures for blood cancers so patients can live better, longer lives. I'm asking you to help by making a tax-deductible contribution! Please use the link in this email to donate online quickly & securely. You will receive an email confirmation of your donation as soon as it is made. I thank you in advance for your support which will make a difference in the lives of thousands of patients battling blood cancers.**

**I really appreciate your generosity!!**

<http://www.mwov.org/pages/sfl/ft113/mwildt>

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Michael D. Wild is a Florida attorney specializing in the areas of estate planning and asset protection. For more information on successful Florida estate planning and asset protection techniques, please contact the South Florida law firm of WFP Law at 954-944-2855 or via email at [info@wfplaw.com](mailto:info@wfplaw.com) to schedule your free consultation. **It's a Wild world. Are you protected?**