Asset Protection

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Orange County Private Investigator

ORANGE COUNTY, CALIFORNIA, UNITED STATES, September 10, 2015 /EINPresswire.com/ -- Asset Protection planning is used to shield assets that would otherwise be susceptible to legal judgments or claims by creditors or former spouses. A number of legal devices are used to ensure that both personal and business assets remain in the possession of the asset-holder. Individuals and businesses use asset protection to diminish creditors' access to valuable property while ensuring the property holder does not violate the law.

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>
> *John A. DeMarr, P.I.*

Some assets are considered "exempt" under state and federal law and cannot be reached by creditors. Exempt assets include personal property, such as household furniture, clothing, or jewelry, and tools of a trade or business. In some states, an individual's primary residence, life insurance benefits, and annuities are considered exempt. Each state has laws shielding owners of corporations, limited partnerships, and limited liability corporations (LLCs) from liability. Additionally, federal law exempts qualified retirement plans governed by the Employment Retirement Income Security Act (ERISA). Qualified retirement plans include pension plans, employee stock ownership plans, profit sharing, and 401(k) plans. Assets to which one does not hold legal title are generally unreachable by creditors.

Common legal strategies of asset protection include business succession planning, nuptial agreements, family limited partnerships (FLPs), LLCs, and trusts. One must also take care to minimize the impact of estate taxes, or taxes on that person's property at death.

Transferring Assets
An individual may shield property from creditors by transferring it to another person. However, one risks that the transferee will squander the property or subject it to the transferee's creditors. Trusts play a valuable role in asset protection planning by allowing the trust creator (the settlor) to establish the terms of the trust and ensure that the trust property remains protected from all creditors.

An individual seeking asset protection may also transfer his or her property to an LLC or FLP. LLCs and FLPs are distinct entities that remain wholly separate from their creators. An FLP is beneficial both as an asset protection device and as an estate planning tool. FLPs allow individuals and their spouses to own only a small portion of the partnership while maintaining control over the whole of the partnership and its assets.

Asset protection planning requires knowledge of federal and state exemption laws, bankruptcy laws, tax laws, trusts and estate laws, and business and corporation laws. A person with thorough knowledge of the law must assist in asset protection to prevent the property holder from committing the illegal acts of concealing assets, contempt, fraudulent transfer, tax evasion, or bankruptcy fraud.

In order to remain both legal and ethical, asset protection must take place before any event has occurred that may result in a claim against the asset holder. Asset transfers after that time may be considered fraud against creditors. An individual will be held liable if a creditor can show that the individual made the transfer with the intention of hindering, delaying, or defrauding the creditor. If an individual in debt has few assets, bankruptcy may be preferable to asset protection. If substantial assets are involved, however, proactive asset protection is recommended.

“Locating assets, determining a defendant’s wealth, and accessing other protected information about someone can be very challenging and an intricate maze to navigate.” says John A. DeMarr, P.I., a licensed California private investigator since 1985, and president of John A. DeMarr Private Investigators, one of the most trusted firms specializing in accessing public records.

“Being knowledgeable about the various nuances of the various information brokers and their databases is critical knowledge for anyone engaged in debt collection or asset location cases.” DeMarr continued.

“Our 30 years of experience makes all the difference, in the service levels and innovative approaches we can offer our clients. Many times our expertise results in a successful outcome where other private investigation firms have failed.”

John A. DeMarr, a well-known Orange County Private Investigator, has provided consistently innovative private investigation services over thirty years of experience – always reasonably priced, and always within the bounds of applicable law.

To learn more about what a private investigator can do to assist you, contact John A. DeMarr, P.I., at (877) 433-6277.

Or go to: www.demarr.com

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