

The Personal Preservation Package®

One of the key concerns for most successful individuals should be: “How to protect my Personal Property from creditors?” However, few people take the time to consider these issues, let alone act upon them. Usually the thing that makes people aware of the importance of Asset Protection Planning is a lawsuit, and then it is usually too late. Successful Asset Protection Planning requires that you protect your assets ahead of time, before something bad happens. Once you have been sued, or even have reason to believe that you may be sued, all your property; stocks, bonds, houses, and other investments, are all vulnerable.

This is why we developed the *Personal Preservation Package®*. The *Personal Preservation Package®* protects your assets from virtually all risks by creating private, confidential, and valid United States legal entities to own your assets while at the same time giving you total control over those assets. The *Personal Preservation Package®* is a rock of stability in an otherwise insecure world. It is composed of two entities: the *Personal Preservation Trust®* and the *Personal Preservation LLC®*.

First, you establish a simple irrevocable trust, the *Personal Preservation Trust®*, which usually names your children as immediate beneficiaries. You will be named as a member of the Trust Committee. The Trust Committee’s only job is to fire and replace the Trustee should the Trustee do anything that the Trust Committee thinks is wrong. This provides you with effective control over the Trust.

Then you establish a special type of company called a Limited Liability Company or LLC. An LLC is an entity that combines the limited liability advantages of a corporation with the ease and flexibility of management and the tax advantages of a partnership. This company, the *Personal Preservation LLC®*, will be established for the purpose of owning most, if not all, of your personal property which you wish to protect. You will then give a 1% interest in the *Personal Preservation LLC®* to the *Personal Preservation Trust®*, and retain the rest for you and/or your spouse.

Why are you doing this? The LLC has many special features similar to a partnership:

- A full LLC interest cannot be seized by creditors. If a Creditor attempts to take your Membership Interest, the creditor will only receive an “assignment” of the interest. The creditor can take away your membership interest, but will not be able to vote in the absence of the unanimous approval of all the other Members.
- An LLC can require Members to make additional contributions of capital. So if a creditor takes away your Membership Interest, the LLC may require the Creditor to make additional contributions to the LLC. If the Creditor refuses, he may lose his interest in the LLC.



- If the LLC shows a profit, it is not necessary for the profit to be distributed to the Members but can be retained by the LLC. However, the Members will be taxed on this profit even though they did not receive it. So if a Creditor takes your Membership Interest, the LLC can operate at a profit, and may be able to force the Creditor to pay taxes on profits which the Creditor never received.

A creditor who attempts to take your shares in the *Personal Preservation LLC*® will only get an assignment of non-voting shares. The remaining shares will be held by the *Personal Preservation Trust*® which will be the only entity that will be able to vote on who becomes Manager of the LLC. The Trustee will most likely be interested in appointing you or another friendly person to be the Manager of the LLC, or face termination and replacement as Trustee. As Manager of the LLC you will be able to decide whether or not you and other employees get a salary, whether or not assets are sold, whether or not profits are distributed, whether or not there is a need for additional contributions from the Members, etc. In essence, a Creditor who takes your shares in the *Personal Preservation LLC*® will not be able to vote or control the company, will not be able to force distributions of assets or profits, will have to pay taxes on income earned by the company even though it never received the profits, and will be vulnerable to demands for additional capital.

As you can see this would be a very unpleasant situation to be in if you were a creditor, but a very good situation to be in if you are trying to protect your assets. Few creditors will want your membership interest in the LLC when they realize what a hornets nest they are getting themselves into.

There are additional strategies that can be used to further enhance the asset protection abilities of the *Personal Preservation Package*®.

- For married couples in some states a “defective” post-nuptial agreement can add an extra level of protection by insuring that the liabilities of one spouse do not put at risk the assets held by the other spouse. However, the agreement is only effective against third parties, not against the other spouse (unless the couple specifically desires this).
- If you have a business, the business should not be operated by the *Personal Preservation Package*®, but should have its own separate business organization that may in turn owned by the *Personal Preservation LLC*®, or held separately depending upon different circumstances. This insures that any liabilities of the business operation are separate and apart from the assets in the *Personal Preservation Package*®. Sometimes a simple S Corporation is ideal for owning and operating a business independent and apart from the *Personal Preservation Package*®, or perhaps the *Advanced Corporate Fortress*® would make the ideal vehicle to operate your business in concert with the *Personal Preservation Package*®. If interested contact us.
- Depending on the homestead laws of your state, it may be advantageous to give a “future interest” in your real property to the *Personal Preservation Trust*® (this is an interest in real property that vests now, but possession only begins after your death), and to put the remaining “life estate” (your right to possess the property until your death) into the *Personal Preservation LLC*®. By dividing the property in this way, no creditor can get the entire

property unless the Trustee agrees to the transfer. Upon your death the beneficiaries of the Trust receive the property with no further actions required.

Finally, the *Personal Preservation Package*® is not a substitute for a good will or living trust. You need a will or a living trust, a power of attorney, a power of attorney for health care, and a directive to physicians.

HOMESTEADS IN KANSAS, FLORIDA, IOWA, SOUTH DAKOTA AND TEXAS

Should you put your homestead into the *Personal Preservation Package*®? For most residents of the above states this would be a mistake. Homestead laws in these states give a very attractive unlimited homestead protection that is frankly superior to that provided by the *Personal Preservation Package*®. In Texas, for example, no one can take away your homestead or even put a lien on the homestead except for the first lien holder, home equity loans, and of course tax liens. Unless you foresee Federal Income Tax problems, the *Personal Preservation Package*® is not as effective for the homestead as just leaving it in your name (if you do foresee Federal Income Tax problems the situation changes; for more information contact us). That does not mean that the *Personal Preservation Package*® cannot protect all the rest of your assets; securities, non-homestead land, business ventures, etc. The power of the system relies on putting your assets into the LLC which is very unattractive to creditors, and insuring that even if someone takes your interest in the LLC they will not get control of the assets in the LLC.

The Squire Organization, LLC
International Business Consultants

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Belize City,
Belize - Central America

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Houston, TX 77024
USA
email: info@squireorg.com

ORDER FORM
The Personal Preservation Package®

CLIENT: _____ DATE: _____, 20__

ADDRESS: _____

BUS. PHONE: _____ FAX: _____

EMAIL: _____ OTHER: _____

I agree to retain The Squire Organization, LLC to provide the following services:

- Personal Preservation Package® \$ 3000.00**
Includes the *Personal Preservation Trust®*, the *Personal Preservation LLC®*, all necessary transfers, the First Year Annual Trustee fees of \$500.00, and the First Year Annual Registered Agent and Office fees of \$150.00.

Preferred Name for the *Personal Preservation Trust®* (e.g., The Smith Family Long-Term Trust):

Preferred Name for the *Personal Preservation LLC®*:

I acknowledge and agree to the above fee arrangement: X _____

CLIENT SIGNATURE

PAYMENT INSTRUCTIONS

1. By Mail - Send this completed form and **\$3,000.00** by check or money order to:

THE SQUIRE ORGANIZATION, LLC
909 Silber Rd #59
Houston, TX 77024

2. By VISA/MASTERCARD (fill in form below and fax to 419-710-4339 OR mail to above address):

Name on Card: _____	Type (circle one): Visa or Mastercard
Card Number: _____	exp date: _____
Last 3 digits of Number on Back of Card (in signature area): _____	
Billing Address: _____	
SIGNATURE: x _____	
In the alternative you can go to our website and make a payment through our secure online system. It is actually safer and more secure: http://www.squireorg.com/gen-pay.html	

3. By Bank Wire: PLEASE FORWARD THIS FORM TO US BY FAX TO 419-710-4339, and we will contact you with payment instructions.
4. By E-bullion (go to www.e-bullion.com for more information): A23682