

Funding Procedures for Various Entities - Lodmell & Lodmell, P.C.

Asset Protection Entities:

BT – Bridge Trust® - Directly holds Primary Residence & Majority Ownership in AMLP

AMLP – Asset Management Limited Partnership™ – Directly holds Safe Assets

LLC – Limited Liability Company – Directly holds Risky Assets

NOTICE: These are general guidelines and do not replace specific advice regarding your circumstances from your attorney or CPA. Please consult with your CPA concerning your state-specific tax implications of funding your entities

Asset Protection General Funding Guidelines: Safe Assets go into AMLP and Risky Assets go into LLC(s)

Safe Assets: Long-term savings, securities, notes, leases, mortgages, receivables & most collectibles (art, stamps, coins, jewelry etc.) Exclude Qualified/ERISA, and similar retirement assets (IRA)

Risky Assets: Real estate (investment/commercial), boats, planes, RVs or similar toys. Things that can cause injury or damage. Exclude your primary residence in most cases (see below). Exclude vehicles used for everyday transportation (see below)

What to Fund	What Entity	Steps to Complete	Action Taken
Primary Residence Property Vacation Home if not rented or risky (lake/boat etc.)	BT or if NO BT then RLT (Except FL, TN, PA, TX) Note: Strong homestead protection in FL & TX	Sign and record a deed transferring title into name of the BT. If NO BT, then into your RLT. Title company, local attorney, or US Deeds can prepare and record. There may be doc stamps or transfer tax issues to determine <i>before</i> you transfer the deed. Typically they are minor, but in some states - FL, TN, PA - they can be significant	<input type="checkbox"/> Done <input type="checkbox"/> N/A <input type="checkbox"/> ? call law office
Rental Property (Risky Asset)	*LLC	Sign and record a deed transferring title into the name of the LLC. (See above)	<input type="checkbox"/> Done <input type="checkbox"/> N/A <input type="checkbox"/> ? call law office
Vacation Home (Risky Asset)	*LLC	Sign and record a deed transferring title into the name of the LLC. (See above)	<input type="checkbox"/> Done <input type="checkbox"/> N/A <input type="checkbox"/> ? call law office
Office Building (Risky Asset)	*LLC	Sign and record a deed transferring title into the name of the LLC. (See above)	<input type="checkbox"/> Done <input type="checkbox"/> N/A <input type="checkbox"/> ? call law office
Boats, Planes, RV's, or Etc (Risky Asset)	*LLC	Put the title(s) into the name of the LLC at DMV or similar applicable govt agency	<input type="checkbox"/> Done <input type="checkbox"/> N/A <input type="checkbox"/> ? call law office
Stock Accounts, Bond Accounts, Security Accounts	AMLP	Change ownership title on the account through the custodian financial institution. Usually requires notarized signature on a standardized form	<input type="checkbox"/> Done <input type="checkbox"/> N/A <input type="checkbox"/> ? call law office
Stocks, Bonds, and other Securities in certificate form	AMLP	Complete, sign, and notarize the Assignment Form (in the forms section of your L&L book) including description and serial numbers. Attach a photocopy of the certificate(s) to the Assignment form. We recommend that a bank or brokerage firm hold custody of securities.	<input type="checkbox"/> Done <input type="checkbox"/> N/A <input type="checkbox"/> ? call law office
Life Insurance and Annuities	RLT (Revocable Living Trust)	The Primary Beneficiary should normally be the spouse, and the RLT as the Secondary or Contingent Beneficiary	<input type="checkbox"/> Done <input type="checkbox"/> N/A <input type="checkbox"/> ? call law office
IRA	RLT	The Primary Beneficiary should normally be the spouse, and the RLT as the Secondary or Contingent Beneficiary	<input type="checkbox"/> Done <input type="checkbox"/> N/A <input type="checkbox"/> ? call law office
Vehicles	Keep out of all Entities	Vehicles generate extreme liability, exclude from all entities. Obtain highest insurance coverage you can afford. Vehicles can pass via probate or using beneficiary forms through DMV in some states	<input type="checkbox"/> Done <input type="checkbox"/> N/A <input type="checkbox"/> ? call law office
Classic Car Collections	If not driven, into the AMLP. Vehicles must be valuable & collectible	True Collectibles--Put the title into the name of the LP or if risky — by driving — into their own LLC	<input type="checkbox"/> Done <input type="checkbox"/> N/A <input type="checkbox"/> ? call law office
Tangible Personal Property: jewelry, antiques, furniture, art, coin, gun, stamps, etc	AMLP or if NO AMLP then RLT	If going into the AMLP—Indicate on the “List of Assets” and “Bill of Transfer” forms, in the forms section, in your AMLP document. If not highly valuable, assign to RLT using assignment form in estate planning portfolio	<input type="checkbox"/> Done <input type="checkbox"/> N/A <input type="checkbox"/> ? call law office

*Risky Assets should go into their own LLC, use multiple LLCs if necessary

***Note:** For CA and FL Deed transfers Contact L&L regarding transfer and reassessment taxes

If you have any additional questions or need additional help in implementing the above steps, please give our office a call at 602-230-2014