

Books by Panama Publishing, Inc.

Pro Se Self-Help Guidebook Series:

How To Modify Your Alimony Payments
How To Lower Your Alimony Payments: Tips & Techniques
How To Defend Yourself In Contempt Of Court Hearings
How To Appeal In State Court of Appeals
Jail: An Inmate's Survival Guide

Further details about Panama Publishing, Inc. and the Pro Se Guidebook Series can be found on the company's website at: www.panama-publishing.com.

One of the unique facets about these guides is the ongoing and continuing support provided by the publisher's website for each book. In effect, it provides new and updated information for the book's chapter contents as it occurs. This website support insures that the data in the guidebooks is kept current without having to publish revised editions.

***A Spouse's Guide To
Hiding Assets***

Pro Se Self-Help Guidebook Series

A Spouse's Guide To Hiding Assets



Panama Publishing, Inc.

Copyright © 2008 Panama Publishing, Inc.

The moral rights of the author have been asserted. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical or otherwise without the written permission of the Publisher.

ISBN 978-0-9800470-5-9

First Published July, 2008

TABLE OF CONTENTS

Note: The titles in the table below are “linked” to the related articles.

PREFACE	1
INTRODUCTION.....	3
TYPES OF ASSETS.....	9
DIVORCE AND MARITAL ASSETS	14
NON-MARITAL ASSETS	18
LOSS OF NON-MARITAL VALUE	20
TRACING NON-MARITAL VALUE	21
TYPICAL TYPES OF ASSET OWNERSHIP	25
TENANCY IN COMMON.....	25
JOINT TENANCY	26
TENANCY BY THE ENTIRETY	26
TENANCY FOR LIFE.....	28
LIMITED PARTNERSHIPS (LP) AND LIMITED LIABILITY COMPANIES (LLC).....	29
FAMILY LIMITED PARTNERSHIPS (FLP)	35
LIVING TRUSTS	38
IRREVOCABLE TRUSTS	43
COMMON METHODS OF HIDING ASSETS	47
HIDING ASSETS UNDER SOMEONE ELSE'S NAME	48
TRUSTS.....	48
HIDING PERSONAL PROPERTY	50
HIDING ASSETS IN EXEMPT PLANS.....	51
OTHER TACTICS	51
COMMON MISTAKES WHEN HIDING THEIR ASSETS	54
FRAUDULENT CONVEYANCE	57
LEGAL CONSIDERATIONS	57
THE GREY AREA OF OPPORTUNITY SHIFTING	59

HIDING ASSETS OFFSHORE	60
I.R.S. CURTAILS MANY AUDITS IN TAX HAVENS	66
HOW ASSETS ARE LOCATED.....	67
PREPARATIONS PRIOR TO DIVORCE	68
METHODS FOR LOCATING ASSETS	69
PUBLIC RECORDS	70
CHECKING PUBLIC RECORDS.....	71
UTILIZING PROFESSIONALS TO ASSIST YOUR SEARCH ..	79
FORENSIC ACCOUNTANTS	83
COMPUTER FORENSICS	85
DEFENSES AGAINST AN ASSET SEARCH	87
CONVERTING AN ASSET AND “SQUANDERING”	88
GO ON THE OFFENSIVE AGAINST YOUR SPOUSE	90
PLANNING AND PREPARATION.....	95
KNOW THESE FACTS ABOUT ASSET PROTECTION:.....	96
SOME MISTAKES IN ASSET PROTECTION PLANNING	97
STAGES OF PLANNING	99
STAGES OF PLANNING CONSIDERATIONS.....	101
GOALS OF PLANNING	106
CLOAKS OF INVISIBILITY	113
BREAKING THE AUDIT TRAIL.....	114
LEGAL DOCUMENTS NOT REQUIRED TO BE FILED	115
LEGAL ENTITIES NOT REQUIRED TO BE RECORDED....	117
ASSET PROTECTION FOR THE BUSINESS	
OWNER.....	119
THE FAVORED ENTITY FOR BUSINESS ASSET	
PROTECTION PURPOSES.	121
THE BUSINESS AS AN ASSET.....	122
VALUATION OF THE BUSINESS.....	123
TECHNIQUES FOR HIDING MONEY.....	127
STRATEGIES FOR PROTECTING ASSETS	129
CONCLUSION	135

APPENDIX	137
ABUSIVE OFFSHORE TAX AVOIDANCE SCHEMES	138
OFFSHORE CREDIT CARD PROGRAM	143

Disclaimers

LIMIT OF LIABILITY/DISCLAIMER OF WARRANTY: The publisher and the author make no representations or warranties with respect to the accuracy or completeness of the contents of this work and specifically disclaim all warranties, including without limitation warranties of fitness for a particular purpose. No warranty may be created or extended by sales or promotional materials. The advice and strategies contained herein may not be suitable for every situation.

This work is sold with the understanding that the publisher or author is not engaged in rendering legal, accounting, or any other professional services. It is not intended to provide specific legal or financial advice or is it a solicitation for legal or financial work. If professional assistance is required, the services of a competent professional should be sought. Neither the publisher nor the author shall be liable for damages arising here from.

The fact that an organization or Web site is referred to in this work as a citation and/or a potential source of further information does not mean that the author or the publisher endorses the information the organization or Web site may provide or recommendations it may make.

Further, readers should be aware that Internet Web sites listed in this work might have changed or disappeared between when this work was written and when it is read.

The information contained in this guidebook is provided solely for entertainment, educational and informational purposes. If you see something that is helpful, feel free to take it and use it to your best advantage.

The events, situations, strategies, scenarios, or suggestions mentioned herein are the results of the author's personal experiences and opinions and is mainly a compilation of various observations and techniques that have been assembled after extensive research, investigations, and experiences related to the author by others.

All items are factually correct to the best of his knowledge and the opinions expressed are solely those of the author. Employ them at your own risk and within whatever circumstances your conscience dictates.

Preface

If you are looking for a book that will advise you on the ways to surreptitiously hide your assets in order to evade creditors, avoid judgments, launder money, or pursue any other illegal course of action, then this book is not for you [even though some of the techniques discussed herein can or have been be used for those purposes in one manner or another.]

If you are looking for any ways to evade the IRS, courts or any other government agency that might want to check up on your assets, then this book is not for you.

However, if you are interested in finding out about asset protection methods to protect you and your family, if you want to reduce your exposure to paying alimony should you decide to get married, if you would like to reduce your alimony payments in the future should you get divorced, or if you want to minimize your exposure to contempt of court proceedings, then this book can be of help.

If you want to find out about how assets can be “repositioned”, how assets can safely be protected, how you can locate them when someone else has them, and what methods you can employ to find them, then this book will help you to that end.

Introduction

When should you consider protecting your assets? Is it when you are facing creditors, bankruptcy, marriage, divorce, alimony payments, or any similar occasions? Is hiding your assets the same thing as asset protection? What is the purpose of hiding your assets? What are the ways your assets can be found? Are there any really safe ways of protecting your assets? These and many more questions will be addressed in this book.

Let it be known right from the start that there is a definite distinction in divorce cases between alimony and child support. Do not make the mistake of thinking they are one and the same. They are not. Alimony is support paid to the ex-spouse and child support is self-explanatory.

This book does not condone the protecting of assets if it will act to the detriment of children who rely on your obligation to make child support payments. However, alimony and in particular “lifetime” alimony is another story and therefore creates a legitimate reason for protecting your assets.

It is this author’s opinion that “lifetime” alimony is unconstitutional and therefore an unconscionable burden on the spouse who incurred it. That being the case and in consideration of the fact that the payment of lifetime alimony is a detriment to our society, a leading cause of the

“[Marriage Strike](#)” and is wrought with abuses by the recipient spouse, this book hopes to level the playing field to some degree by removing the advantage that has been realized by the spouse who is the recipient of alimony welfare payments [this goes for women as well as men.]

By implementing asset protection procedures that will reduce the alimony incentives and financial rewards for initiating unilateral, no-fault, divorce proceedings, it is hoped that it will act as a deterrent to spouses who are in hope of receiving a lifetime of alimony welfare payments and thus insuring a more stable basis for a continuing marriage.

The need for this book arose from the author's contact with many people involved in the various stages of divorce and a common need by one of the spouses to protect what they had from being confiscated or plundered during the course of legal proceedings in the family law courts.

The author has a first hand knowledge of the agony of seeing family assets drained away by the legal industry in their relentless and merciless pursuit of one of the spouses on the behalf of the other.

In writing this book, the approach taken was from one of the spouse's viewpoints in wanting to protect their assets while still enjoying the benefits of marriage. On the other hand, it also provides a guide for the other spouse who has a valid reason for finding assets that may have been hidden away from them.

It was felt that the “profit motive” stimulus of the no-fault divorce laws is largely responsible for the “[Marriage Strike](#)” that is sweeping over the country. By removing that motivation and placing the assets under an umbrella of protection from a covetous spouse, then the marriage could proceed on a more stable footing and endure for a longer period of time based on a more realistic approach by the parties.

Asset protection preparations, like the divorce proceedings with its subsequent detrimental fallout, are processes of which few people are entirely aware. Little

thought is given to them during the various stages of marriage, especially when they are “in heat” to get married. It is only when someone is fully enmeshed in the divorce proceedings is the total impact and consequences of the situation realized. By then it is too late. One of the parties will most likely suffer some sort “Financial Suicide” in the process of being saddled with alimony.

Protecting your assets is primarily concerned with finding legal and relatively easy methods that are readily available and cost effective to help you achieve your goal. You don’t have to resort to foreign corporations, trusts or tax-haven bank accounts. You can accomplish your goals right here—cheaper, better, and safer. Your other concern is being familiar with the basic laws that regulate what you are trying to do and understanding how the courts view them. The approach this book takes and the content contained herein embraces all these aspects.

As in any area involving rules and laws, there are always “gray” areas, so called “loopholes” that exist. For example, you would probably have no qualms about going to an accountant and expect them to use all these “loopholes” that might benefit you in preparing your IRS tax return. Doing so breaks no laws and causes harm to no one. That is the approach used in this book.

Your goal is to make your assets as “bulletproof” and as invisible as much as possible in order to keep them safe. It can be accomplished; more so with proper advanced planning as opposed to last minute preparations.

If you are like most people, you want to have insurance “before” having a car wreck. The same applies to your assets. Take the time to find out what you need to do and then do it. Some protection is better than none at all. Above all, do your research and learn what is required. Reading this book is a good start.

Good asset protection planning starts very early, even before you are contemplating marriage or divorce. With the high probability of divorce, planning for this eventuality should be done in the early stages when you think you might

want to tie the knot. When the parties are in anxious to get married, little thought is given to their financial future and everything seems rosy.

There are essentially five periods when you absolutely need to concern yourself with the planning for your asset protection: before marriage, during marriage, before a divorce, after a divorce, and when you are facing a contempt of court hearing.

The content contained herein is especially useful for people who are anticipating getting married one day, people who are planning on getting a divorce, and people who are divorced and paying alimony. It will mostly be oriented toward the protection of assets involved during those occasions. However it can apply as well to people involved with bankruptcy or who are facing creditors.

As one of the parties to the divorce proceeding, you will want to protect what you have. If you have them secreted away in a place where you think they won't be found, then you need to know some of the ways in which what you have can be discovered. Knowing what the other side can do and what tools they can employ will help you to formulate a plan of what you can do to protect what you have.

On the other hand, if you are seeking to find what has been secreted away by another and hidden away from you, then you will want to know how these assets can be hidden and how you might find them. This book will help you do so.

The extent to how diligent another party will be in searching out your assets will depend largely on the amount of money involved. Think of it as a ratio. The more you have will be directly proportional to the effort that will be expended on finding them.

For those of you with comparatively little, protection of those assets should be a relatively simple matter. As the amount increases, so does the complexity of protecting them.

You will find explained herein some entirely legitimate ways commonly and legally used to protect your assets,

some precautions to use, and hopefully, some things of which you weren't aware.

In writing this book, it was intended to be sort of a one-stop primer to acquaint you with the many aspects of the practice of "hiding" assets for one reason or another and methods commonly employed to locate them. Along with that is included a lot of related material that breaks everything down into a coherent flow of information that guides you through more than just the methods and practices used but gets down to giving you an understanding of the basics you need to incorporate in your thinking and planning process.

Many people ask about using asset protection tools to hide assets from creditors or former spouses. Some people believe asset protection tools can be used to hide income from the IRS. You will find that in reality, asset protection is not considered the same as asset hiding, and that current technology pretty much precludes the hiding of assets.

There are and have been numerous methods used in the past, but since the implementation of the Banking Secrecy Act (BSA) and Patriot Act (PA) [[see appendix](#)], a lot of the old methods are no longer viable and other ways need to be explored. Sometimes the simplest and most often overlooked methods are the safest ones to use. In subsequent chapters you will find out more about this.

Note: For the purpose of illustration, the laws of Florida were used in this book. You will need to check the applicable laws in your state.

A website has been set up to support the chapters in this book at: www.panama-publishing.com. where you will find, new developments, etc. as further illustrations of the chapters in this book.

[Table of Contents](#)