

General Asset Advice

The following general asset advice will stand you in good stead no matter what your estate plan is.

Umbrella Insurance available from your home or car insurer increases your coverage to 1 or 2 or 3 million for about \$525 per year (45/mo). IF you have \$300,000 on one of those, it raises the limit. One policy covers home + car + rentals, etc. If your insurance isn't enough to pay the damage to the one you hit because \$200,000 was used of your \$300,000 policy, then Umbrella Insurance will step in with another \$700,000!

Roth IRA's do NOT allow you to deduct what you put into them, BUT are Exempt from tax on ALL profits made in them! Example: you and a friend buy together a condominium, hire a realtor to manage it for no more than 10% of rent, when & if rent comes in, and it appreciates \$200,000 by the time you decided to sell. NO TAX on that \$200K! If you had done this outside of a ROTH, in Calif., your tax would have been about \$48,600. BIG savings.

Holding Stock Certificates Yourself makes it very difficult for scam artists or your creditors to discover that you own them. However, if you lose them there is a 10% of market value for each lost certificate to replace them. www.directinvesting.com sells a listing of the hundreds of stocks which you can buy direct without a brokerage commission for minimum of \$25 per order.

HELOC (home equity line of credit) is a giant credit card with your home as security which is very inexpensive to obtain from leading banks, and which has a recorded lien setting out the MAXIMUM you can borrow on it. Thus, scammers assume you have that much less equity in your house than its market value and making you a smaller target for scammers. Very convenient for buying cars and emergency costs.

Fill Up Assets Legally Exempt From Creditors and Bankruptcy. These are listed in the Calif. code and those of some other states also. Example insurance policy cash advances up to \$11,800 are exempt from the trustee in Bankruptcy and your Creditors. See the list of exemptions at www.courtinfo.ca.gov/forms on form EJ155 and the current amounts protected at www.courtinfo.ca.gov/forms/documents/exemptions.pdf.