



THE HUGHES LAW FIRM

A PROFESSIONAL CORPORATION

1974

## “THE DESCENDANTS’ BULLETPROOF TRUST™

**THE SECRET TO PROTECTING YOUR CHILDREN’S,  
GRANDCHILDREN’S, AND OTHER LOVED ONES’ INHERITANCE  
FROM THEIR DIVORCES, LAWSUITS, HEALTHCARE COSTS,  
JOINT TENANCY, AND RESPONSIBILITY ISSUES.”**

Studies reveal the amazing speed inherited assets, lottery winnings and personal injury awards slip through the hands of even the most responsible beneficiaries. Inherited assets left outright to your heirs are exposed to a multitude of hazards, including divorce, creditors, lawsuits and opportunistic friends, relatives and suitors. The problems multiply with irresponsible children struggling with alcohol, drugs, gambling, or legal problems. Leaving your estate outright to your children is risky and, frankly, unnecessary. Instead, leave your estate to your children in a trust – a **Descendants’ Bulletproof Trust™**.

### **JOINT TENANCY PROTECTION**

Beneficiaries, when pressured or simply without thinking, all too often put newly-inherited assets into joint tenancy with their spouses without considering how a later death or divorce can impact what the grandchildren get – or don’t get – later on. To avoid this risk of loss, leave your children’s inheritance in a **Descendants’ Bulletproof Trust™** and keep the family legacy in your bloodline. Because assets held in a **Descendants’ Bulletproof Trust™** cannot be titled in joint tenancy with your child's spouse or any other person, the transfer of family assets to your grandchildren or other heirs is assured at the death of a child.

### **DIVORCE PROTECTION**

Assets held in a **Descendants’ Bulletproof Trust™** are owned by the trust, not the child; therefore, trust assets cannot be titled in joint tenancy or given to your child's spouse. This prevents separate property from becoming marital property, subject to equitable division by a divorce-court judge.

### **BLOODLINE PROTECTION**

Assets held in a **Descendants’ Bulletproof Trust™** cannot (without special provisions) be willed by your child to his or her spouse. This prevents the diversion of family assets to persons outside the family bloodline, a major concern for parents who fear that a child’s inheritance may later trickle down to the bank account of a less-than-perfect son-in-law or daughter-in-law (and his or her new spouse) instead of to the grandchildren! Assets remaining in your child's trust at your child's death will pass automatically to your child's children, or if none, to your other living children.

## **LAWSUIT PROTECTION**

Assets held in a **Descendants' Bulletproof Trust™** cannot be seized or attached by successful plaintiffs in litigation, including accident cases, sexual harassment suits, etc. Since assets held in a **Descendants' Bulletproof Trust™** are not legally owned by the trust beneficiary, they are not "available" to satisfy a court judgment.

## **DEBT PROTECTION**

Assets held in a **Descendants' Bulletproof Trust™** cannot be claimed by your child's creditors. Your child cannot lose what your child does not own. Even if your child was forced to file for personal bankruptcy, assets held in the **Descendants' Bulletproof Trust™** would be sheltered from loss. As an added benefit, your child could not pledge trust assets as collateral for a loan – preventing the inadvertent loss by careless borrowing.

## **DEATH TAX PROTECTION**

With certain exceptions, assets held in a **Descendants' Bulletproof Trust™** will totally escape death taxes when your child dies and passes the remaining trust assets to your grandchildren. This is an especially important benefit if you have children who are independently wealthy in their own right.

## **BAD HABITS PROTECTION**

Assets held in a **Descendants' Bulletproof Trust™** are insulated from the spendthrift tendencies of children who are financially irresponsible, over generous, or prone to taking unreasonable business or investment risks. Children addicted to drugs, alcohol, gambling and other life-style challenges will find difficulty accessing the assets of the **Descendants' Bulletproof Trust™** to sustain their self-destructive behaviors.

## **MEDICAID AND MEDICAL EXPENSE PROTECTION**

Assets held in a **Descendants' Bulletproof Trust™** may enjoy protection from Medicaid. This is important if a child, grandchild, or other beneficiary is disabled, handicapped, or suffering from a chronic disease that requires care in a nursing home or other long-term care facility. With new legislation making it more difficult to qualify for Medicaid benefits, asset-protection planning for disabled beneficiaries is more important now than ever.

## **INCOME TAX SAVINGS**

The **Descendants' Bulletproof Trust™** can purchase assets for a child, such as a residence or business. Because the IRS does not impute income to the child for the use (i.e., rent) of trust-owned property, your heirs will enjoy significant income tax savings for life.

## **RETIREMENT**

Imagine that your children have not "socked" enough away to provide for their secure retirement. A **Descendants' Bulletproof Trust™** can serve as a safety net that will be there for them when traditional retirement plans and/or social security benefits just aren't enough.

## **PROTECTION FOR GRANDCHILDREN AND BEYOND**

Assets held in a **Descendants' Bulletproof Trust™** benefit your grandchildren by preserving assets in the family bloodline against a child's divorce, bad habits, legal problems, death taxes, premature death, and debt problems. After a child's death, these same protections can be continued for the benefit of your grandchildren and their children by the continuous operation of the **Descendants' Bulletproof Trust™** for generations to come.

## **WHO CAN SERVE AS A TRUSTEE OF A DESCENDANTS' BULLETPROOF TRUST™?**

Your child can serve as the trustee of his or her own **Descendants' Bulletproof Trust™**; however, certain asset-protection benefits may be weakened. You may be wise to name an independent trustee, perhaps a bank or trust company, to act as trustee – especially for any financially irresponsible or unsophisticated children. Responsible children can decide who serves as their own independent trustee. It could even be a best friend. Clearly, an independent trustee is a key element to maximum asset protection, and should be used to make distribution decisions in most every instance. Investment decisions can be entrusted to responsible children who act as co-trustees, relieving an independent trustee of investment responsibilities. Your child could be given the power to remove and replace an unsatisfactory trustee with another individual or trust company at any time. In short, many options exist and should be discussed with your attorney.

## **DISTRIBUTIONS PERMITTED AS YOU DEEM APPROPRIATE**

The **Descendants' Bulletproof Trust™** can be designed to provide either liberal or conservative benefits for your child or children (your call), while keeping outside creditors and predators at bay. The trustee will pay funds to your children for their health, education, and general welfare, including additional sums for purchasing a new home, starting a business, getting married, hanging a shingle – even retirement! Only irresponsible children need worry about trustee-imposed restrictions. Honest, self-reliant, hard-working children will be very happy with their **Descendants' Bulletproof Trusts™**. Don't be surprised if your children, once they understand the wisdom of your planning, design their estate plans for their children around a **Descendants' Bulletproof Trust™**.

## **CONCLUSION**

The **Descendants' Bulletproof Trust™** is the most powerful asset-protection tool in American law. It compassionately provides for your children and younger generations in a manner that reflects your family values and personal concerns. For decades, wealthy families have successfully bulletproofed family inheritances. Faced with the reality of 50%+ divorce rates, record-setting bankruptcy filings, 24 million new lawsuits a year, and a reckless credit-card culture, it is no mystery why prudent parents and grandparents – regardless of net worth – are turning to the **Descendants' Bulletproof Trust™** to protect family wealth for generations.

***“The best estate plan is to own nothing but have access to everything.”***