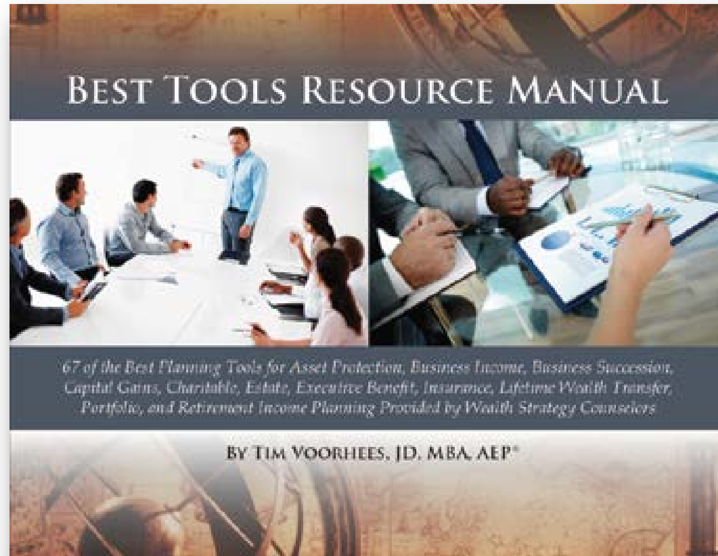
Best Tools Flyers Now Available in a Convenient Print Edition

The Best Tools Resource Manual provides a client-friendly two-page summary of MVM Law's top wealth planning strategies for high net worth clients. To receive more information on licensing this book, please email our marketing coordinator, Anthony, at *ABurciaga@mvmlawyers.com* call 800-447-7090, or visit *www.BestToolsWorkshop.com.*



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Wealth Counseling

Ethical Will	135	An Ethical Will is a non-legal document used to guide relationships and the interpretation of legal trusts. Legal and financial professionals draft ethical wills to help clients articulate their vision and values to the next generation. Language in the ethical will informs charitable and personal financial decisions and prepares heirs to receive a spiritual and emotional inheritance before receiving a financial inheritance. The Ethical Will is also known as a Legacy Letter, Family Financial Philosophy, or Family Wealth Statement.
Family Meetings	137	Annual family meetings help the family patriarch and matriarch pass on a spiritual and emotional inheritance before passing along a financial inheritance.
Family Legacy Video	139	A family legacy video can communicate messages more effectively than an ethical will or family wealth statement. To create the video, a wealth counselor helps family members share examples of how decisions were guided by statements of vision and core values.
Family Wealth Blueprint	141 143	A Wealth Blueprint typically shows a client how he or she can: 1) Eliminate all estate taxes, 2) Minimize income taxes, 3) Maintain an accurate understanding of how planning strategies impact net worth and cash flow, 4) Perform "what ifs" to analyze approaches to income tax planning that further your wealth accumulation goals, 5) achieve a variety of inheritance, cash flow, and other non-financial goals. The sample Wealth Blueprint discussed during our training shows a family with a $27 million net worth. The sample illustrates the estate optimization process by integrating seven different planning tools to increase transfers to family members by more than $3 million and enhance charitable gifts by more than $20 million. Estate taxes decrease from $14 million to zero, and income taxes are substantially reduced.
Family Wealth Statement	145	The Family Wealth Statement unites the family around a clear statement of vision and values. The six sections are based on answers given by the patriarch and matriarch who complete the Family Wealth Questionnaire. The document inspires beneficiaries to receive a spiritual and emotional inheritance before receiving a financial inheritance. Provisions establish guidelines for family meetings, charitable giving, and adviser evaluation.
Financial Checkup	147	This document, otherwise known as a "Current Analysis," reviews a client's current plan from five or more perspectives. The Financial Checkup considers investments, insurance, income tax, wealth transfer, business succession, and other issues. A report card at the back of the document shows a client how his or her current plan fails to achieve many of the goals outlined in the Family Wealth Statement.
Value Proposition Letter	149	This may be the most valuable planning and marketing tool offered by Family Office Services("FOS"). For only $300, FOS planners will help a client quantify how FOS can help a client reduce taxes or increase benefits for heirs or charities. When reading this letter, prospects typically see how an adviser, with assistance from FOS, can help provide millions of dollars of benefits for a relatively low cost.
Wealth Strategy Counseling	151	A Wealth Strategy Counselor integrates the technical aspects (legal and financial) with the relational aspects of planning. The Wealth Strategy Counseling process often involves leading family members through retreats to clarify the vision, identify core values, and develop ranked and quantified lists of goals. Once goals are established, the Wealth Strategy Counselor will often use software and wisdom to identify which of hundreds of planning tools most closely correlate with the client's objectives regarding the use and transfer of resources. If the goals focus on tax planning, the Wealth Strategy Counselor must know how to introduce and integrate appropriate non-tax goals into the plan design, drafting, and funding process. Instead of focusing on just the opportunities created by money, the Wealth Strategy Counsel-or unites spouses and/or other family members around a vision for realizing opportunities created by seven types of resources—including spiritual insights, emotional passions, intellec-tual capital, physical talents, social networks, professional training, and financial capital. While envisioning how each family member can most effectively exploit his or her assets to fulfill a personal calling and mission, the Wealth Strategy Counselor examines how to free-up resources needed for education, business acquisitions, or other investments in building the most meaningful future. The Wealth Strategy Counselor typically has training in theology, psychology or conciliation. For more information about the role of a Wealth Strategy Coun-selor, see www.CertifiedWealthCounselor.com.

Retirement Income Continued

Family Retirement Account	117	The Family Retirement Account ("FRA") can transfer assets from an IRA or other retirement account into an insurance policy that grows tax-free outside of the taxable estate. The policy can make tax-free "wash loans" during retirement years. Depending on the client's goals for income and/or wealth transfer, the FRA can significantly improve after-tax benefits during retirement or at death.
IRA Maximizer	119	This strategy involves taking taxable distributions from a qualified plan that the client does not need. The client makes tax-deductible annual gifts of the plan distributions to an ILIT to buy insurance. The IRA maximize does not require a profit sharing plan, as does the IRA Dynasty LLC and the Family Retirement Account.
Retirement Income Projections	121	Most clients receive too much retirement income at ordinary income tax rates. By developing projections through life expectancy or age 100, it is frequently possible to show how pension, social security, interest, and other passive income forces clients into higher-than-necessary tax brackets. This stimulates discussions about an alternative projection that shows the benefits attendant to receiving income from tax-sheltered real estate portfolios, tax-free insurance
Retirement Rescue Strategy	123	The Retirement Rescue strategy transfers funds from a retirement plan to a profit sharing plan that invests capital tax efficiently in a high cash value life insurance policy. After the policy is funded over several years, the policy is transferred to an irrevocable trust outside of the taxable estate. The trust can provide tax-free retirement income and/or greater benefits for heirs. The Retirement Rescue strategy includes a program for the tax-free transfer of Required Minimum Distributions ("RMDs") or other annual IRA distributions into an LLC that facilitates purchase of the policy from the profit sharing plan. The strategy also includes a "safety net" to protect tax-free benefits in case of a premature death. (Clients using this tool need not be over 70 1/2 years old; nor must they keep their contributions under $100,000 to satisfy the strict IRA Charitable Rollover guidelines for 2013.)
Roth IRA Conversion	125	By converting a traditional IRA to a Roth IRA and changing beneficiaries, it is possible to show accumulation of additional millions of dollars of assets in the names of grandchildren. Whereas assets distributed from normal stretch IRAs are subject to ordinary income taxes, payments from Roth IRAs are currently tax-free.
IRA Trust	127	The IRA Trust helps protect retirement plan assets from taxes and creditors. At the death of the owner of the IRA, the IRA Trust will divide into smaller sub trusts for each intended beneficiary. Each sub trust can be structured as a conduit trust for maximum tax deferral and protection of principal. If greater asset protection is needed, the conduit trust can be changed to an accumulation trust before death. The IRA Trust is compatible with more advanced techniques to convert ordinary income into tax-efficient retirement income or wealth transfers.
Statutory Retirement Rescue	129	The Statutory Retirement Rescue strategy relies on the integration of long-standing qualified plan and charitable techniques to convert involuntary philanthropy into voluntary philanthropy. An insurance policy is funded within a profit sharing plan using seasoned money from the client's IRA and/or other retirement assets. Then the policy is distributed tax-efficiently to a Super CLAT, which ultimately transfers an investment grade insurance policy to a trust that can generate tax-free retirement income and/or tax-free transfers to heirs.
Reverse Mortgage	131	Reverse mortgages can often produce attractive and tax-efficient lifetime income. When designed correctly, a client can enjoy the use of his/her home for life along with better monthly cash flow.
Tax-Sheltered Retirement Distribution	133	This flyer presents a very simple example of how an ILIT can borrow premiums to buy life insurance and then receive cash tax-efficiently to pay off the loan. This method of acquiring life insurance potentially avoids the use of annual exclusions and lifetime exemptions and does not require the client to liquidate investments to pay premiums.

Strategy Flyers

21st Century CPAs, financial planners, and Charitable Development Officers (CDOs) serving high net worth clients face many challenges. Strategy Flyers explained in this brochure provide solutions to these challenges:

1. Staying current on the most effective planning tools available.

2. Coordinating all of a client's assets and tax challenges in a constantly changing and increasingly complex tax and business climate.

3. Maintaining access to the most powerful technology for illustrating and implementing the best planning tools.

4. Communicating new planning solutions to clients.

5. Leveraging emerging technology to increase efficiency and profitability.

6. Integrating plan design, drafting, and funding with a focus on helping clients manner possible.

Matsen Voorhees Law trainers equip advisers with understandable planning illustrations and educational materials for coordinating each client's planning activities. Matsen Voorhees lawyers have decades of experience illustrat ing and/or implement-ing more than 300 advanced planning and client management tools. These instru-ments are designed to address some of your client's biggest tax problems, while at adviser. The train-ing and technologies available through Matsen Voorhees Law are made available only through the most respected Continuing Education providers.

As indicated on the following pages, Matsen Voorhees Law has developed advanced Strategy Flyers to help your clients take advantage of Asset Protection, Business Suc-cession, Capital Gains Planning, Business Income Tax Planning, Charitable Planning, Estate Planning, Life Insurance, Portfolio Planning, and Retirement Planning op-portunities. Our attorneys can help you design, draft, and fund trusts that help high net worth clients take advantage of some of the most powerful planning techniques available. During live meetings or webinars, our attorneys can train you to customize are available to co-present client seminars and adviser workshops using materials summarized in this brochure. Call 800-447-7090 to schedule a presentation.

Each Strategy Flyer may include flow-charts, bar charts, bullet point text, and numbers to illustrate the benefits of the planning instruments.

Strategy Flyer	*Pg.*	*Description*
ASSET PROTECTION		
Domestic Asset Protection Trust	1	A Domestic Asset Protection Trust ("DAPT") is an irrevocable trust that may be funded with an incomplete or completed gift, depending on estate tax planning objectives and other goals. Attorneys may design the DAPT to include state income tax and/or federal income tax benefits. The trust may protect against future creditor actions while possibly allowing some protections against preexisting creditor actions. The trust language may include provisions for transfers to a spouse or children. The DAPT jurisdiction choice influences many issues involving the statue of limitations, fraudulent transfer rules, etc.
Foreign Asset Protection Trust	3	A Foreign Asset Protection Trust ("FAPT") is a trust that is set up in an offshore jurisdiction that has enabling trust legislation providing for substantial protection against creditors of the trustor. One of the greatest advantages of the FAPT is that legal attacks against its assets are transferred abroad to a different legal system. The FAPT is generally much more expensive to set up and create than a domestic trust and requires a certain willingness on the part of the Trustor to deal with offshore jurisdictions and trust entities. The FAPTs' greatest value is realized when asset protection planning is done well in advance of any potential creditor problem.
BUSINESS INCOME TAX PLANNING		
Business Income Tax Solutions	5	Business Income Tax Solutions can help clients reduce taxes on income not needed for lifestyle while deferring taxes and/or converting taxable income into more tax-efficient cash flow. Business owners may realize tax benefits related to funding buy-sell agreements, retirement plans, and wealth transfer strategies.
Capital Split Dollar	7	A business owner can advance cash to pay premiums in an estate planning trust using a non-equity private split dollar arrangement. Under the economic benefit regime, the amount the trust owes in consideration of the potential death benefit may be small. The bottom line for the business owner and employees can be much more favorable than what is available from alternative executive benefits programs, such as phantom stock programs.
Captive Preferred LLC	9	The Captive Preferred LLC provides a tax-efficient vehicle for growing assets in a captive insurance company while providing all necessary capital to pay claims. Money not used for claims can grow tax-efficiently and/or make tax-efficient distributions as part of the captive exit strategy. The preferred LLC is designed to comply with a variety of regulatory guidelines.
Cost Segregation Study	11	The Cost Segregation Study can help a real estate owner generate much more favorable after-tax income. Assets in the property are expensed or amortized over a relatively short period to generate more deductions than would be available from straight-line depreciation.
Nevada Incomplete Gift Non-Grantor Trust	13	By moving income producing assets into a Nevada Incomplete Gift Non-Grantor Trust ("NING") Trust, one can avoid state income tax on the income from those assets. The penalty is that the federal income tax shifts to a potentially higher trust tax rate, but this may be of relatively little concern for taxpayers already in the top bracket. This strategy can dovetail beautifully with asset protection planning because NING trust is a DAPT trust.
Net Operating Loss Strategy	15	The Net Operating Loss ("NOL") strategy helps a real estate developer with losses monetize the losses by entering into a transaction with another company that has Net Operating Income that might be offset by the losses.

LIFETIME WEALTH TRANSFER PLANNING CONTINUED		
Sale of Partnership Interest to a Family Grantor Trust	95	This popular wealth transfer strategy demonstrates how the client establishes a new family limited partnership and sells limited partnership interests to an intentionally defective grantor trust in exchange for a promissory note. This strategy can produce cash flow to pay insurance premiums without using any annual gift tax exclusions.
Tax-Efficient Squeeze Freeze	97	Assets are sold from the taxable estate to a trust in exchange for a note. Value grows tax-efficiently outside of the taxable estate. Cash flow is paid to the grantor tax efficiently. This strategy flyer shows how a client can transfer non-voting stock in a business entity along with non-voting LLC interests to a gifting trust at a discounted (squeezed) value in order to freeze the value in the taxable estate.
PORTFOLIO PLANNING		
Insurance as an Asset Class	99	This piece positions insurance as an attractive addition to a financial portfolio offering returns that are uncorrelated with the market.
Fixed Income Portfolio	101	This portfolio is designed to generate 5 to 6% returns during a 3-year time horizon. 2/3 of the portfolio is held in Exchange Traded Funds. 1/3 of the portfolio is allocated to first trust deeds.
Oil and Gas	103	Oil and gas investments take many forms, including limited partnership interests, ownership of fractional undivided interests in leases, and general partnerships. Tax consequences and investor liability vary according to the type of program. True general partnerships in which investors actively participate in the operations of the venture are not securities. A general partner, however, is personally liable for partnership debts.
Tax-Efficient Hedged Portfolio	107	Now that top marginal capital gains rates exceed 34% for most California clients and top marginal income tax rates exceed 54% for many clients, there is growing interest in accumulating assets tax-free. Studies show that money would have grown to an amount four or fives times greater if taxes had been avoided over the last two to three generations. Using integrated trust and investment management solutions, it is possible to avoid these taxes over the next next two to three generations.
Tax-Efficient Asset Management Solutions ("TEAMS")	109	Now that top marginal capital gains rates exceed 34% for most California clients and top marginal income tax rates exceed 54% for many clients, there is growing interest in accumulating assets tax-free. Studies show that money would have grown to an amount four or fives times greater if taxes had been avoided over the last two to three generations. Using integrated trust and investment management solutions, it is possible to avoid these taxes over the next next two to three generations.
RETIREMENT INCOME		
Annuity Income Maximization	111	Also known as annuity arbitrage, this concept involves the purchase of a single premium immediate annuity and life insurance policy. The annuity generates income and the life insurance serves to provide a return of capital at the death of the insured.
Defined Benefit Combo Plan	113	The Defined Benefit Combo plan helps a business owner generate greater benefits from a retirement plan. By combining defined benefit and defined contribution plans, it is possible to produce bigger income tax benefits as well as greater accumulations for retirement. Advanced versions of this technique can provide very large tax benefits.
Equity Appreciation Sharing	115	The Equity Appreciation Sharing Solution indicates how individuals can monetize illiquid real estate while generating large tax-efficient retirement income streams. Advanced versions of the Equity Solution facilitate tax-free transfer of real estate to heirs. The benefits of the strategy are illustrated with before and after bar charts, customized flow charts, annual after-tax cash flow tables, and pages of customized text.

BUSINESS INCOME TAX PLANNING CONTINUED

Intellectual Property Monetization	17	This Intellectual Property Monetization ("IP") can help a business owner monetize intellectual property. The program involves valuing IP before capitalizing it into an LLC. The non-voting interests of the LLC are then donated to a donor directed fund. The client can generate income or other benefits from the IP while establishing the value of the IP for possible future liquidity events. While the benefits can be great, the strategy requires careful compliance with a variety of guidelines.
Sale to a Beneficiary Defective Irrevocable Trust	19	The Beneficiary's Defective Irrevocable Trust ("BDIT") allows a grantor to move assets out of the taxable estate while having income taxed at the beneficiaries' lower rates
Section 79 Plan	21	Section 79 plans give employers a 100% income tax deduction on reasonable compensation to employees. Such plans provide a cost-efficient way to attract, retain and incentivize key employees. Plans may have minimal documentation and reporting requirements. Section 79 plans give employees the option to use cash value life insurance that can generate supplemental retirement income. The insurance coverage can last beyond the date of their retirement or separation from service.
Tax-Deductible Buy-Sell Funding	23	This strategy allows a business owner to fund a tax-efficient transfer of a business to successor owners and managers. Unlike most buy-sell agreements, which are funded with after-tax dollars, this solution can use partially or 100% deductible dollars. (The fully deductible solution involves redirection of some tax money to charity.)

BUSINESS SUCCESSION

Business Succession Agreement	25	This flyer shows a variety of methods for funding a buy-sell agreement with pre-tax dollars.
Captive Insurance Company	27	Sample Captive Insurance Company. Using the 501(c)(15), 831(b), of 806 entity, a business can receive tax deductions for funding a vehicle that provides insurance for the business. Assets in the entity can grow tax-free. The entity can perform like a super-sized IRA or Roth IRA while insuring against risks at rates typically not available through commercial insurance companies.
Employee Stock Ownership Plan	29	The Employee Stock Ownership Plan ("ESOP") can provide a powerful combination of benefits to a business owner that wants to fund a succession plan very tax-efficiently and/or align interests of team members.
Business Vision and Values Retreat	31	During a business retreat, key decision-makers and/or stakeholders answer a series of questions to clarify the vision, mission, and values of the organization. To determine WOTS MOST IMPORTANT?®, a facilitator helps participants review the Weaknesses, Opportunities, Threats, and Strengths ("WOTS") to clarify the Mission, Objectives, Strategies, and Tactics ("MOST"). This process involves a survey of external issues affecting the planning process with a focus on the most important Opportunities and Threats. Then the retreat participants consider their Reponses to external issues in light of the company's internal Strengths and Weaknesses. After reflecting on the most important external and internal issues, leaders clarify a vision-inspired or mission-driven plan that respects core values. Once the plan is clear, managers operationalize the Mission and execute the plan by following clear Objectives, Strategies, and Tactics. The proven process is explained at www.WOTSMOST.com.

PERSONAL FINANCES

Personal Income Tax Reduction Planning	71	Income tax reduction planning requires projections of lifetime cash flow. We prepare a current illustration to show how much income is taxed at high marginal rates. Then, using our experience with moving assets to tax-efficient trusts, we suggest how assets can be repositioned to vehicles that generate income at low marginal rates. This process often results in projections of millions of dollars of tax savings.
Income Tax Diagnostic	73	This planning strategy involves the review of personal and business tax returns to spot exposure to unnecessary taxes. The review is summarized in a written document with suggested solutions linked to proposed financial benefits.

INSURANCE PLANNING

Capacity Capture	75	The concept of Capacity Capture is to acquire all of the insurance the market may offer. The topic is relevant to "ultra-high" net worth clients.
Credit Shelter Trust with Life Insurance	77	Funds in an existing Credit Shelter Trust (aka, Bypass Trust or Family Trust) can provide an ideal source of life insurance premiums. Allocating these funds systematically to a life insurance strategy can increase benefits to heirs, especially when the surviving spouse does not need income from the trust.
Financed Indexed UL	79	This strategy describes a way to acquire an indexed UL product with mostly borrowed funds.
Fixed Private Split Dollar	81	Fixed Private split dollar helps individuals secure fixed universal life insurance for estate planning needs using corporate funds while keeping personal cash gift requirements initially to a minimum.
Insurance Trust Review	83	This strategy discusses the benefits and process of reviewing an existing insurance policy or portfolio within an irrevocable life insurance trust ("ILIT"). Email info@vfos.com for information on the complete trust owned life insurance review ("TOLI Review")
Insurance Warehousing	85	Insurance Warehousing is the concept of acquiring a significant amount of insurance today because it may be needed in the future. For example, a client may acquire insurance now for paying estate taxes but hold the policy for use in a buy-sell plan later.
Life Settlements	87	Very often, older clients realize that they want current cash flow more than they want to keep funding premiums for a death benefit that they will never see. In such cases, it may be possible to sell unneeded policies on the life settlement market. This flyer provides a brief overview of the applications for and the benefits of life settlements.
Long-Term Care Insurance	89	Long-Term Care Insurance may offer a combination of medical, nursing, custodial, social, and community services designed to help people who have disabilities or chronic care needs, including dementia. Services may be provided in the person's home, in the community, in assisted living facilities or in nursing homes. In 1993, Congress created an exception under the amendments to the Omnibus Budget and Reconciliation Act (OBRA-93) which specifically authorized the use of Supplemental Needs Trusts for the benefit of individuals who are under the age of 65 years and disabled according to Social Security standards.
Premium Financing	91	This flyer presents a very simple example of how an Irrevocable Life Insurance Trust ("ILIT") can borrow premiums to buy life insurance and then receive cash tax-efficiently to pay off the loan. This method of acquiring life insurance potentially avoids the use of annual exclusions and lifetime exemptions and does not require the client to liquidate investments to pay premiums.

LIFETIME WEALTH TRANSFER PLANNING

Dynasty Trust	93	This piece discusses the benefits and features of a Generation Skipping Irrevocable Life Insurance Trust ("ILIT") with two or more generations named as beneficiaries.

CAPITAL GAINS PLANNING

Charitable Remainder Trust	33	Securities, property, and other assets can be sold tax-free in a Charitable Remainder Trust ("CRT"). The CRT generates an income tax deduction, allows for an estate tax deduction, permits the tax-free accumulation of assets, and affords favorable tax treatment on distributions. The property seller has broad latitude in re-investing cash after selling a property in a CRT.
Capital Gains Split Dollar	35	To sweeten the after tax benefits for both the buyer and seller of a business, it is possible to defer recognition of taxes using a split dollar agreement. A trust for the benefit of the seller receives money without any current tax consequences by issuing a split dollar agreement. The split dollar agreement is fully permissible -- as long as funds are invested in insurance. The buyer supports this solution because legal opinions show that funds invested in the insurance are partially tax deductible. The seller supports this solution because funds grow tax-free in a vehicle that makes tax-free retirement payments.

CHARITABLE PLANNING

Charitable Limited Liability Company	37	A Charitable Limited Liability Company ("CLLC") is a standard LLC or limited liability company combine with a charitable mechanism so that the K1 from the LLC distributes 99% or 100% of the income to a charity. Assets sold inside the LLC can be sold tax free. The managing member follows fiduciary standards when lending money to third parties, such as the independent trustee of a Dynasty Trust.
Leveraged Charitable Limited Liability Company	39	The leveraged strategy is similar to the standard CLLC except that low cost borrowed money funds a high cash value "investment grade" insurance policy. The policy crediting rate can be significantly higher than the loan interest rate in the early years, thereby generating positive arbitrage. If the arbitrage should turn negative, a loan from the policy or the charity can pay off the third party loan.
Testamentary Charitable Lead Trust	41	This trust provides a simple tool to "zero-out" an estate tax. When combined with a Family Limited Partnership or similar entity, the TCLAT can eliminate estate taxes and facilitate the transfer of the entire estate value to heirs within 15 years of death. The TCLAT is often combined with a Wealth Replacement Trust to provide a first inheritance while heirs wait for the second inheritance from the TCLAT.
Super CLAT	43	An individual can form a grantor CLAT that keeps the value of the CLAT remainder interest out of the estate while also producing a current income tax deduction equal to the present value of the future gift to charity. By using a family limited partnership funded with tax-free bonds and variable life insurance, it is possible to produce enough tax-free income to meet the distribution requirements during the term of the CLAT.

ESTATE PLANNING

Double Step-Up Planning	45	Double Step-Up Planning minimizes both estate and capital gains taxes on the transfer of assets to a trust that generates tax-efficient retirement income and/or transfer to heirs.
EP Protection Plan	47	The EP Protection Plan summarizes the costs and benefits of the annual maintenance program for clients with trusts.
Equity Stripping	49	Equity Stripping strategies put debt obligations against assets in a client's estate in order to move equity to irrevocable trusts that are protected from taxes and creditors. The equity stipping strategies can reduce the taxable estate while keeping the asset in the taxable estate, as may be necessary to receive a step-up in basis or to delay property tax increases.
Grantor Retained Annuity Trust	51	Grantor Retained Annuity Trust ("GRAT"), is a financial instrument commonly used in the United States to make large financial gifts to family members without paying a U.S. gift tax.

ESTATE PLANNING CONTINUED

Incentive Trusts	53	Irrevocable trusts often have special-incentive trust provisions to encourage beneficiaries to use the money tax efficiently. Attorneys can design irrevocable trusts to give the right amount of asset ownership and cash flow to beneficiaries at the right time, while transferring management and control responsibilities to the most responsible heirs. Clients can have greater comfort about moving assets to irrevocable trusts when they see how the trusts could reflect their dreams for each of their children, grandchildren, and other heirs. Income and Principal are allocated for medical purposes, educational goals, long-term care needs, and other criteria set by the client. Payments can be designed as corpus distributions, income payments, or loans. The client sets the criteria for the behavior that is to be encouraged. For example: "$40,000 annually to any parent who stays at home with a minor descendant in my bloodline," "$1 of distributions to match each dollar of earned income generated by any child of mine," or "a reasonable market rate salary that the trustees deem appropriate to support a beneficiary as a full time missionary overseas."
Sale to a Nongrantor Trust	55	The owner of a low basis asset may sell the asset to a trust and take back a note without recognizing any gain. The trust records the basis as being equal to the purchase price and begins generating depreciation deductions based on the trust's purchase price. Alternatively, the trust can resell the asset without recognizing any gain and invest the money in a tax-efficient portfolio that generates little or no tax until the trust distributes money to the beneficiaries.
Preferred LLC	57	This flyer illustrates a tax-efficient vehicle for owning life insurance in a way that distributes cash value and death benefits to different trusts in a manner compliant with IRC Chapter 14. This is a powerful technique for transferring interests in a life insurance policy owned with cash
Qualified Personal Resicence Trust	59	The Qualified Personal Residence Trust ("QPRT") allows for tax-efficient transfer of a home from the taxable estate while giving the homeowner continued use of the home throughout one's lifetime.
Spousal Lifetime Access Trust ("SLAT")	61	Life insurance trusts with spousal access provisions give a married couple the opportunity to pass a substantial amount of wealth outside of their taxable estates while maintaining access to the trust assets for retirement income or other cash flow needs. A properly designed SLAT can protect against premature death, divorce, and changes in the tax law.
Zero Tax Estate Planning	63	Integrating estate tax planning instruments with income tax planning tools can zero out estate taxes while reducing income, capital gains, and on other taxes. Our law firm has a variety of zero-tax planning presentation pieces that apply to a wide array of fact patterns. Our sample plans, strategy flyers, and other illustrations show how tax savings can increase lifetime income, transfers to heirs, and/or charitable giving potential. In most cases, clients see how the benefits of planning exceed the costs by a factor of at least 100 to 1.

ESTATE BENEFIT PLANNING

162 Plan	65	The Section 162 Plan is one of several tax-efficient vehicles for funding golden handcuffs and related executive compensation
Restricted Property Trust	67	Key owners of a corporation create a restricted property trust and fund it with 100% deductible contributions. The amount of the contribution is flexible, depending on retirement income goals and death benefit needs. Individual accounts can be protected from lawsuits and divorces. In addition to providing tax deductions during funding, the plan can generate tax-free income during retirement.
Stock Options and Non-Qualified Deferred Compensation Strategies	69	Non-qualified deferred compensation and related stock option strategies ("NQDC") can provide excellent employee incentives but challenges related to income tax planning. Several techniques help improve after-tax benefits related to funding and exercising non-qualified deferred compensation strategies.