INTERVIVOS
Estate Planning Solutions

THE PRIVATE RETIREMENT PLAN

THE MOST VALUABLE CREDITOR EXEMPTION IN CALIFORNIA

PRIVATE RETIREMENT PLANS

A HISTORIC CALIFORNIA EXEMPTION LAW
In 1970, California introduced a state creditor law allowing its residents to exempt (protect) their private assets in a private retirement plan. Reaffirmed in 1982, the Exemption statute California Code of Civil Procedure (CCP) 704.115 still exists today as one of the best wealth preservation strategies for California residents who wish to build private assets for retirement. Note that this irrefutable law was a precursor and foundation to ERISA, established in 1974, which now protects federal qualified retirement plans.

PRIVATE RETIREMENT PLANS EMPOWER SELF-BUILDERS

A PRP seeks to allow Participants to build their wealth their way by funding private equity, business interests, real estate, and other self-directed investments assets, and where ALL Plan funds, distributions and death benefits are fully exempt from both bankruptcy and non-bankruptcy (creditor lawsuit) situations.

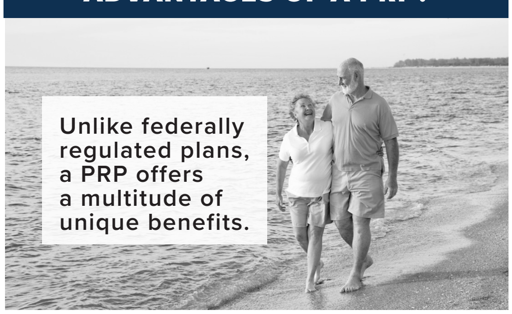
WHY IS A CALIFORNIA PRP DIFFERENT THAN OTHER RETIREMENT PLANS?

Federally regulated retirement Plans are funded from pre-tax earnings and have limits on funding amounts and distributions that include future tax liabilities. PRP funding is sourced from a Participant's after-tax balance sheet, don't have asset funding limitations, and distributions and benefits are tax-free.

RETIREMENT PLANNING IS THE SAFEST & STRONGEST FORM OF ASSET PROTECTION

Because a private retirement plan simply involves claiming one's legal exemption right under law, it does not involve "transferring" or "gifting" assets, and is therefore the safest and strongest method and should be the foundation for any protection planning. Once maximized, one can then integrate and overlay more advanced asset protection strategies.

WHAT ARE THE UNIQUE ADVANTAGES OF A PRP?



NO PARTICIPATION REQUIREMENTS
Can be set up for any owner, executive, or professional

NO FUNDING LIMITS
No maximum as long as the need for retirement savings is proven

NO CONTRIBUTION LIMITS
Can be funded from assets on a Participants Balance Sheet as well as future earnings

NO PROHIBITED TRANSACTIONS
Can be funded with private business stock and LLC member interests

NO DISTRIBUTIONS PENALTIES
Avoids severe penalties as there are no 59 ½ or 72 federal regulations

WHAT UNIQUE TAX SHIELDS DOES A PRP OFFER?

While plan contributions are not deductible and plan distributions are not taxable, a properly administrated PRP can harvest:

1 — TAX-DEDUCTIONS
A PRP can claim large deductible expenses and even finance programs to help offset substantial taxable business profits and pass-through ordinary income, to better reduce the grantor/clients' tax liability.

2 — TAX DEFERRALS
A PRP offers unique tax deferral strategies that can help maintain capital and cash flow, and even defer capital gains tax on sales, to better allow a business and other private assets to compound to a greater future value without unnecessary "tax drag."

3 — TAX CREDITS
Our PRP administrator helps check against all available federal and state Tax Credits to secure pure "dollar for dollar" tax savings (no recapture!) which substantially increases plan asset values, cash flows, and net benefits.

HOW DOES A PRP WORK? IT'S EASY

- We identify appreciating assets that are currently exposed to future risks, elect to set up a Plan via an adoption agreement, and then establish a Trust to hold and protect those assets for your retirement.
- We fund your chosen assets by recharacterizing them as "exempt" using your legal right as a Californian.
- We work with an established and experienced administrator to manage the Plan and administer all benefits and distributions with proper reporting.

As long as you can prove you need specific assets for retirement, you can fund any appreciating asset to your private retirement plan and protect those assets from creditors in both bankruptcy or non-bankruptcy (lawsuit) situations.

NEXT STEPS!

Every Californian should evaluate their private retirement exemption rights in conjunction with their overall retirement "plan." Here are the steps to analyze your personal situation:

CRITICAL PLANNING STEPS TO PRP SUCCESS

1. We will work together to generate an Exemption Diagnostic Report identifying exemptions you are currently forfeiting.
2. Review a Plan Proposal that identifies all opportunities for optimizing your exemption rights.
3. Determine what assets are legitimate for PRP funding, and how much.
4. Summarize current and future benefits and costs to prove economic value.
5. Work with our Admin partners to deliver and oversee a safe & sound Plan & Trust structure.