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Securing Your Retirement: Best Asset Protection Your Lawyer Never Told You About

By Jeffrey M. Verdon, Managing Partner, Jeffrey M. Verdon Law Group, LLP

Life is full of little surprises. Wondering whether your retirement plan is “bullet proof” from future lawsuits and bankruptcy should not be one of them.

Imagine this...

You've worked your entire life to build a successful business re-investing into your company all along. Your long-term plan was to sell the company when you turned 60 to retire to a life of leisure, living on the proceeds. Then disaster strikes. You and your company get sued resulting in a devastating multi-million dollar judgment. There aren't enough assets to pay off the debt and it's going to wipe you and your company out. Because you never saved for retirement you don't have enough protectable assets, such as a healthy IRA, to start over. And that “sell the company” retirement plan you worked so hard for? It's gone without a net.

Luckily, there is something you can do to avoid this fate.

If you live in California, you can create a Private Retirement Plan (PRP) to secure your retirement. PRPs are used for retirement savings and because it is statutory law, it is entirely exempt from judgments and bankruptcy. Sound too good to be true? Well, there is a catch. To qualify as a PRP, the plan must be operated strictly for retirement purposes and misuse of the plan disqualifies it.

Here's how it works: A business owner or professional with a successful company establishes a retirement plan funding it with company assets. Because a PRP is not an ERISA qualified retirement trust and does not enjoy any special tax treatment,



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contributions to and earnings inside the PRP are unlimited. Your company can fund a PRP with a lump sum contribution or it can secure the funding commitment with its accounts receivables, real estate holdings, and intellectual property, to name a few. This prior lien for the PRP takes priority over any of the company's future claims including judgment creditors.

The real beauty of securing your retirement through a PRP is that the trust's assets are protected when you and your company are making contributions, and when you commence withdrawing your benefits when you retire. Hello peace of mind, goodbye future unforeseen creditors! This is a handy safety-net indeed.

PRPs are inexpensive to create and even less to maintain, especially when you consider the unlimited creditor protection it offers. PRP's are coordinated with your current qualified retirement plans.

If you're interested in learning more about Private Retirement Plan contact your legal or financial advisor, and if he or she isn't familiar with the PRP, contact our firm for a complimentary phone consultation. We would be pleased to help you secure your retirement.

Jeffrey M. Verdon Law Group, LLP is a boutique law firm specializing in Comprehensive Estate Planning and Asset & Lifestyle Protection. For over 30 years we have assisted affluent families and business owners with their comprehensive estate plans, maximizing wealth transfer opportunities, and providing “firewall” asset protection planning to protect estates and family legacies.



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