



**WHEELER**  
Wealth Management

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# A Wall Around Your Wealth: The Importance of Asset

**S**uccess can come with a major downside: It can make you a potential magnet for lawsuits—including frivolous and unfounded ones—and other attacks that can wreak havoc on your financial health and stability.

Indeed, you may very well know someone in your life who has been sued. Maybe it was you!

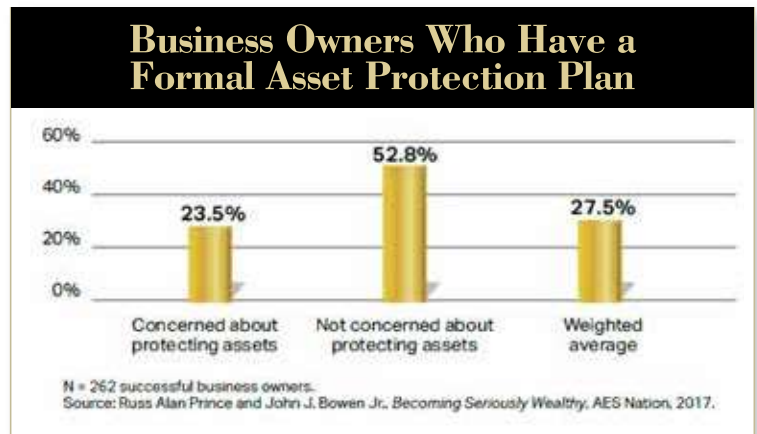
That means you've got to take steps to protect the assets you've worked so hard to build from being unjustly taken. Otherwise, you may jeopardize your financial security and that of your company and your family.

## Why you need asset protection

Asset protection planning as we define it is pre-litigation planning that is designed to deter lawsuits if possible—and if not, to encourage favorable settlements.

The logic of asset protection planning is clear: You build a wall around your wealth that is as difficult as legally possible for litigators, creditors and others to scale. Instead of trying to fight it out with you in court for months or years and risk losing, the litigant sees that the only reasonable option from a legal standpoint is to settle for pennies on the dollar—or, ideally, to leave empty-handed.

**Important:** Asset protection isn't about "hiding money" from the world—quite the opposite, in fact. You *want* anyone who might come after your assets



to clearly see what you have done to build a wall around your wealth. Why? It shows them the difficult legal path they'd have to take to get at that wealth—which, hopefully, will cause them to settle, negotiate or (ideally) throw up their hands and walk away.

The good news is that the threats to your wealth from other people and entities may be on your radar screen. Take successful business owners, for example. More than 85 percent of successful business owners say they are concerned about becoming the object of unjust lawsuits or being victimized in divorce proceedings. The bad news: Only about a quarter (27.5 percent) of them actually have a formal asset protection plan in place (see the exhibit below). The percentage is even lower among those business owners who say they are concerned about protecting assets. Given the risks that our litigious culture presents, these numbers are likely far too low.

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## FOUR ASSET PROTECTION ACTION STEPS TO CONSIDER

If you're among the many types of successful people out there who lack an asset protection plan—or if you're simply curious whether your existing plan is still as strong as it needs to be—consider taking a few key actions.

**1. Get protected before a claim against you is made.** You can do a lot to protect your wealth before a liability arises—but thanks to a concept known as “fraudulent conveyance,” very little can be done after. As with insurance, the time to have asset protection in place is well before you need it—or even think you might need it.

**2. Cover the basics.** Evaluate your liability insurance and other related policies and maximize them as best you can. Probably the fastest, easiest and cheapest move you can make is to take out a large umbrella policy to safeguard assets. Another simple but powerful strategy is to place your assets in someone else's name, such as your spouse's. If you're sued, those spouse-controlled assets are often untouchable.

**Pro tip:** Be sure you have a great deal of trust in your spouse and your marriage before transferring ownership of assets to him or her. In a divorce, your spouse could potentially walk away with those assets—or you could be forced to fight for them at least as hard as you'd fight a creditor who went after them.

**3. Consider a variety of other asset protection strategies.** The asset protection strategies you may need will depend on your specific situation, of course. That said, it's generally a good idea to consider your options, which might include:

- Ascertain appropriate utilization of risk transfer through property-casualty insurance (*homeowner's,*

*auto, rental, personal excess liability [umbrella], health, disability, life, long-term care, directors' liability and professional liability insurances).*

- Consider various forms of ownership that either put assets beyond the reach of a creditor or make these assets less desirable for creditors.
- Discuss gifting assets when there are no current creditor issues in order to lessen the likelihood of raising fraudulent transfer issues.
- Structure any expected gifts and/or inheritances to protect them from claims of creditors.

**4. Be sure your attorney or other professionals are qualified to help you protect your assets.**

We see that far too many financial professionals aren't in a position to provide guidance on and implementation of many asset protection solutions. Assess the asset protection expertise among your professionals—either the expertise they possess themselves or the resources they have access to via their professional networks of other experts.

## Conclusion

You can't necessarily stop someone from suing you. But you can take steps that will make it harder for litigants to collect money from you unjustly—and maybe even prevent those litigants from coming after you in the first place.

When you think about how hard you've worked to grow your assets, we think you'll agree that it makes sense to put strategies in place to protect them too.





**FOR YOUR COMPLIANCE OFFICER**

## **VFO INNER CIRCLE FLASH REPORT**

**JANUARY 2022**

### **A Wall Around Your Wealth: The Importance of Asset Protection**

The report named above has been researched and prepared by VFO Inner Circle and its affiliates, CEG Worldwide, LLC and AES Nation, LLC. The advisor bearing this letter has retained AES Nation to conduct research and prepare informational materials for his or her use and/or for use by his or her centers of influence. This report is designed to be used purely as an educational piece. It does not refer to any specific security or product and as such, is not intended to be treated as advertising material of any kind.

VFO Inner Circle hereby expressly authorizes the advisor bearing this letter to use and distribute this report to his or her clients, prospective clients and centers of influence.

VFO Inner Circle also hereby expressly authorizes the advisor bearing this letter to customize the report in any or all of the following ways:

- Edits to the content as required by the firm's compliance rules
- Placement of the firm's name, branding and contact information
- Placement of the advisor's name and contact information
- Placement of any disclosure language required by the firm
- Removal of the VFO Inner Circle logo and the term "Flash Report"

In addition, VFO Inner Circle hereby expressly authorizes the advisor bearing this letter to customize the report in any or all of the following ways on behalf of his or her centers of influence:

- Edits to the content as required by the compliance rules of the firms of the centers of influence
- Placement of the names, branding and contact information of the firms of the centers of influence
- Placement of the name and contact information of the centers of influence
- Placement of any disclosure language required by the firms of the centers of influence
- Removal of the VFO Inner Circle logo and the term "Flash Report"

The report must retain any research citations and the acknowledgement text and copyright notice.

## **Compliance backup information for primary research**

**Source for exhibit and accompanying text:** Russ Alan Prince and John J. Bowen Jr., *Becoming Seriously Wealthy*, AES Nation, 2017.

### **FINRA review**

This report was reviewed by FINRA. The review letter indicated that the material appears consistent with applicable standards. The FINRA review letter and the article submitted for review are attached below.

Please note that the report submitted for FINRA review includes a "GORDIAN INVESTMENTS" heading on the first page as well as a disclosure statement specific to Gordian Investments, LLC and to Jonathan Powell, a registered representative of Gordian Investments, LLC, on the last page. Advisors distributing this report may customize the report to include the name of their own firm and their own disclosure statement, or that of their centers of influence.

**Any questions regarding the foregoing may be directed to our compliance group at [compliance@cegworldwide.com](mailto:compliance@cegworldwide.com).**



## ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

November 09, 2021

Mr. Jeremy Niel Armstrong  
Gordian Investments, LLC  
3738 Mt. Diablo Blvd., Suite 301  
Lafayette CA 94549

Reference: **FR2021-0818-0068/E**  
Link Reference: FR2018-0216-0122

Org Id: 158611

1. CEG January 2022 Flash Report  
Rule: FIN 2210  
3 Pages

Total Fee: \$125

Dear Mr. Armstrong,

The communication submitted appears consistent with applicable standards.

Reviewed by,

Nicole M. Cashaw  
Associate Principal Analyst

jb

*Please send any communications related to filing reviews to this Department through the Advertising Regulation Electronic Filing (AREF) system or by facsimile or hard copy mail service. We request that you do not send documents or other communications via email.*

**NOTE:** *We assume that your filed communication doesn't omit or misstate any fact, nor does it offer an opinion without reasonable basis. While you may say that the*



*communication was "reviewed by FINRA" or "FINRA reviewed," you may not say that we approved it.*

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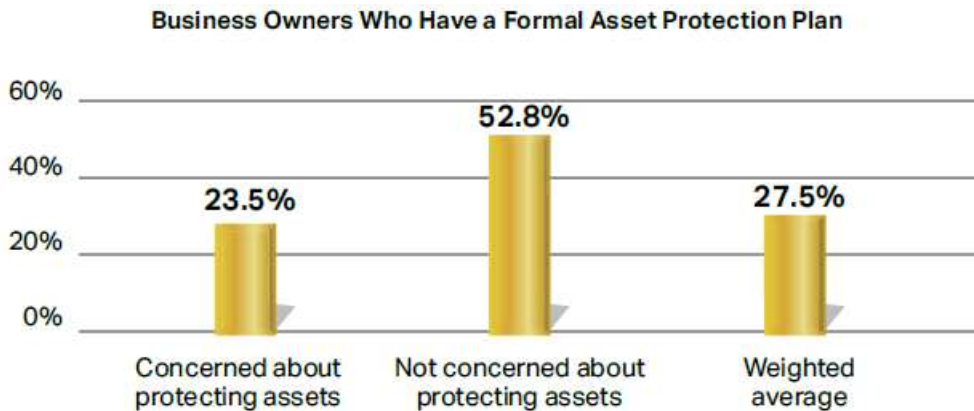
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