



# *Resources For Professional Advisers*

**Access Advanced Training Regarding the Most  
Powerful Planning Tools**



**Matsen Voorhees Law**





## *Receive Live and Web-Based Support*

*Our training resources include the 16-hour Best Practices Workshop, the monthly Best Tools Workshops, and other training programs...*



*Advisers working with Matsen Voorhees Law have access to some of the industry's most experienced case planning professionals.*

Matsen Voorhees Law can equip you to provide the best wealth advisory services in your community. Our firm shares a robust array of training resources with advisers who access our workshops on-line and in our office at [www.MatsenVoorhees.com/map](http://www.MatsenVoorhees.com/map).

Training resources include strategy flyers, seminar slides, and various other types of graphics used in presentations to high net worth clients and their advisers. Our training resources include the 16-hour Best Practices Workshop, the monthly Best Tools Workshops, and other training programs that give advisers the key information needed to identify prospects, engage new clients, charge appropriate fees, present the best deliverables, facilitate implementation, and maintain profitable ongoing retainer relationships with clients.



Advisers working with Matsen Voorhees Law have access to some of the industry's most experienced case planning professionals. Attorneys can conduct live or virtual meetings to present ideas discussed in this workbook. Contact a Matsen Voorhees scheduler at 800-447-7090 for details or visit [www.WebinarCounsel.com](http://www.WebinarCounsel.com).





# Strategy Flyers

*The services and technologies available through Matsen Voorhees Law are available nowhere else.*

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:

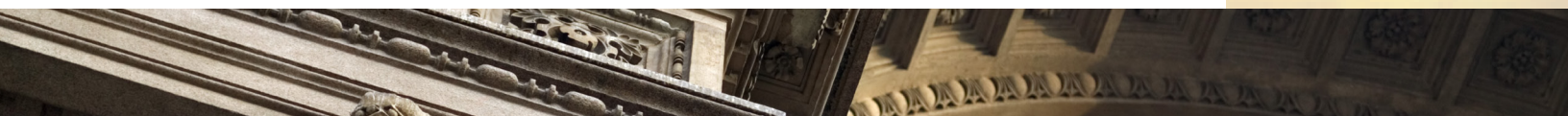
1. Staying current on the most effective planning tools available.
2. Coordinating all of a client's assets and tax challenges in a constantly changing and increasingly complex tax and business climate.
3. Maintaining access to the most powerful technology for illustrating and implementing the best planning 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 move their assets through business entities and trusts in the most tax-efficient 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 illustrating and/or implementing more than 300 advanced planning and client management tools. These instruments are designed to address some of your client's biggest tax problems, while at the same time cementing your firm's position as an indispensable adviser. The training 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 Succession, Capital Gains Planning, Business Income Tax Planning, Charitable Planning, Estate Planning, Life Insurance, Portfolio Planning, and Retirement Planning opportunities. 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 complete plans based on each strategy flyer. Tim Voorhees and other staff members 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 flowcharts, bar charts, bullet point text, and numbers to illustrate the benefits of the planning instruments.*



## Asset Protection

<i>Strategy</i>	<i>No.</i>	<i>Strategy Flyer Description</i>
<b>Offshore Trust</b>	20	A Foreign Asset Protection Trust (FAPT) is a trust that is set up in an offshore jurisdiction which has enabling trust legislation providing for substantial protection against creditors of the trustor. One of the greatest advantages of the FAPT is the fact that by its very nature any legal attacks against its assets are transferred abroad to a different legal system. Though creating a FAPT is generally more expensive than a domestic trust, the asset protection benefits are worth it for those who want to plan ahead.
<b>Domestic Asset Protection Trust</b>	22	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 income tax benefits. The trust may protect against future and possibly creditor actions. The trust language may include provisions for transfers to a spouse or children.

## Charitable Planning

<i>Strategy</i>	<i>No.</i>	<i>Strategy Flyer Description</i>
<b>Supporting Organization</b>	59	Supporting Organization (SO) offers more donor control than a DAF but less than a PF. It is not subject to the Private Foundation Restrictions. Clients can receive current value deductions for stock, RE, etc.
<b>Charitable LLC</b>	51	A Charitable Limited Liability Company (CLLC) is a standard LLC combined 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.
<b>Testamentary Charitable Lead Trust</b>	39	A Testamentary Charitable Lead Trust (TCLAT) 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.

## Business Income Tax Planning

<i>Strategy</i>	<i>No.</i>	<i>Strategy Flyer Description</i>
<b>Net Operating Loss Strategy</b>	42	Net operating losses can be carried forward or even backward to minimize taxes. This flyer explains the strategy along with likely benefits.
<b>Intellectual Property Strategy</b>	43	This strategy shows how a business owner can monetize intellectual property (IP). 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.
<b>Business Income Tax Planning</b>	46	This flyer illustrates how clients can calculate marginal tax rates on income not needed for lifestyle and then transfer this extra income into advanced business income tax planning vehicles for funding buy-sell agreements, retirement plans, and wealth transfer strategies.
<b>Captive Insurance Company</b>	3	Using the 501(c)(15), 831(b), or 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.
<b>Defined Benefit Combo</b>	26	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.
<b>Cost Segregation Study</b>	32	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.
<b>Section 79 Plan</b>	33	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.
<b>Stock Option and NQDC Strategies</b>	35	Non-Qualified Deferred Compensation (NQDC) and related stock option strategies can provide excellent employee incentives but can create challenges related to income tax planning. Several techniques help improve after tax benefits related to funding and exercise non-qualified deferred compensation strategies.
<b>162 Plan</b>	36	The Section 162 Plan is one of several tax-efficient vehicles for funding golden handcuffs and related executive compensation programs.
<b>Restricted Property Trust</b>	38	Key owners of a corporation create a Restricted Property Trust (RPT) 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.



## Estate Planning

<i>Strategy</i>	<i>No.</i>	<i>Strategy Flyer Description</i>
<b>Sale of Partnership Interests to a Family Grantor Trust</b>	8	This flyer discusses the very popular wealth transfer strategy in which a 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.
<b>Dynasty Trust</b>	10	This flyer discusses the benefits and features of a Generation Skipping Irrevocable Life Insurance Trust with two or more generations named as beneficiaries.
<b>Zero Tax Estate Planning</b>	14	Estate tax can be eliminated in most instances with a simple revocable will bequest. This strategy flyer is one of many zero-tax planning presentation pieces. They all show how tax savings can increase lifetime income, transfers to heirs, and/or charitable giving. In most cases, clients see how they have much more capital available for lifetime giving.
<b>EP Protection</b>	23	This flyer summarizes the costs and benefits of the annual maintenance program for clients with trusts.
<b>QPRT</b>	28	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 lifetime.
<b>SLAT - Spousal Lifetime Access Trust</b>	30	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.
<b>Tax-Efficient Squeeze Freeze</b>	34	Assets are sold from the taxable estate to a trust in exchange for a note. Value grows tax-free 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 gifting trusts at a discounted (squeezed) value in order to freeze the value in the taxable estate.
<b>Special Needs Trust</b>	56	A Special Needs Trust (or Supplemental Needs Trust) is a specialized legal instrument designed to benefit an individual who has a disability. A Special Needs Trust is most often a "stand alone" document, but it can be part of a Last Will or Living Trust. Special Needs Trusts were in use for many years before they were given "official" legal status by the United States Congress in 1993 (as part of OBRA-93). The Special Needs Trust enables a person under a physical or mental disability, or an individual with a chronic or acquired illness, to benefit from an unlimited amount of trust assets. Such assets may not be counted when qualifying for certain governmental benefits. The trust investment policy may require investment in tax-efficient, secure, and or liquid investments such as life insurance.
<b>Grantor Retained Annuity Trust</b>	58	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.
<b>JEST Trust</b>	60	Married clients in non-community property states may establish a Joint Exempt Step-Up Trust (JEST) to take advantage of income tax planning and wealth accumulation benefits. The JEST may allow the client to enjoy a step-up in income tax basis on all of the couple's assets on the death of the first spouse, while preserving the possibility of an additional step-up in income tax basis upon the death of the surviving spouse. The JEST structure may also protect the surviving spouse from undue influence, creditor claims, and possible future estate tax liabilities.
<b>ESOP</b>	47	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.
<b>Sale to a Beneficiary Defective Trust</b>	50	The Beneficiary Defective Inheritors Trust (BDIT) allows a grantor to move assets out of the taxable estate while having income taxed at the beneficiaries' lower rates.
<b>Capital Split Dollar</b>	11	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 benefit programs, such as phantom stock programs.

## Wealth Counseling

<i>Strategy</i>	<i>No.</i>	<i>Strategy Flyer Description</i>
<b>Family Meetings</b>	48	Matsen Voorhees Law offers three types of highly effective meetings to unite couples, planning team members, and extended families around a compelling vision, clear values and tax-efficient solutions.
<b>Ethical Wills</b>	61	Estate and financial professionals use the ethical will as a foundation with clients to articulate the values in order to guide charitable and personal financial decisions and preparation of the "last will and testament."

## Life Insurance

<i>Strategy</i>	<i>No.</i>	<i>Strategy Flyer Description</i>
<b>Long-Term Care Insurance</b>	57	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.
<b>Insurance Trust Review</b>	6	This 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).
<b>Capacity Capture</b>	7	The concept of Capacity Capture is to acquire all the insurance the market may offer. The topic is relevant to "ultra-high" net worth clients.
<b>Financial Indexed UL</b>	9	This strategy describes a way to acquire an indexed UL product with mostly borrowed funds.
<b>Premium Financing</b>	12	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.
<b>Fixed Private Split Dollar</b>	13	Fixed Private Split Dollar (FPSD) helps individuals secure fixed universal life insurance for estate planning needs using corporate funds while keeping personal cash gift requirements initially to a minimum.
<b>Insurance Warehousing</b>	15	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.
<b>Credit Shelter Trust with Life Insurance</b>	16	Funds in an existing Credit Shelter Trust (aka, Bypass Trust or Family Trust) can provide 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.
<b>SERP and SERP Exchange</b>	40	SERP Exchange - A SERP (Supplemental Executive Retirement Plan) is a non-qualified retirement plan for key company employees, such as executives, that provides benefits above and beyond those covered in other retirement plans such as IRA, 401(k) or NQDC plans. There are many different kinds of SERPs available to companies wishing to ensure their key employees are able to maintain their current standards of living in retirement.

## Retirement Planning

<i>Strategy</i>	<i>No.</i>	<i>Strategy Flyer Description</i>
<b>Annuity Income Maximization</b>	1	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.
<b>IRA Maximizer</b>	2	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.
<b>Family Retirement Account</b>	18	The Family Retirement Account (FRA) can transfer assets from an IRA or another 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.
<b>Stretch IRA</b>	21	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. 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.
<b>Equity Appreciation Sharing</b>	27	The Equity Appreciation Sharing 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.
<b>Tax-Sheltered Retirement Distribution LLC</b>	19	The Tax-Sheltered Retirement Distribution LLC (TSRD LLC or sometimes IRA LLC) can improve tax-free wealth accumulation with creditor protection features. This tool affords flexibility in managing assets that traditional IRA custodians may not allow. The IRA LLC can be funded during the lifetime of the owner of the IRA with a safety net that transfers tax money to family and favorite charities if there is a premature death.
<b>Retirement Rescue</b>	29	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.
<b>Roth IRA</b>	55	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.

## Portfolio Planning

<i>Strategy</i>	<i>No.</i>	<i>Strategy Flyer Description</i>
<b>DING/NING Trust</b>	41	By moving income producing assets into a NING, 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 the NING trust is a DAPT trust.
<b>Oil and Gas</b>	52	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.
<b>Tax-Efficient Asset Management Solutions (TEAM)</b>	25	Studies show that money would have grown to an amount 4 or 5 times greater if taxes had been avoided over the last 2-3 generations. Using integrated trust and investment management solutions, it is possible to avoid these taxes over the next 2-3 generations.
<b>Insurance as an Asset Class</b>	4	This piece positions insurance as an attractive addition to a financial portfolio offering returns that are uncorrelated with the market.
<b>Life Settlements</b>	5	Very often older clients will see 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 benefits of life settlements.
<b>Muni-Bond Income Maximization Strategy</b>	53	The client invests in debt securities issued by a state, municipality or county in order to generate tax-free income. Municipal bonds are exempt from federal taxes and from most state and local taxes, especially if you live in the state in which the bond is issued. To protect against the inflation risk, clients can combine the muni bond portfolios with investments in high cash value life insurance. The life insurance sub accounts can own indexed assets that may have returns correlating with inflation.
<b>High Cash Value Insurance</b>	54	Cash value life insurance provides life insurance protection at death as well as a saving feature that can accumulate substantial assets for personal banking or retirement. This type of life insurance offers a combination of a death benefit and an investment account that can show cash greater than premiums invested. Cash value life insurance includes whole life, universal life, variable life, and variable universal life.

## Business Succession

<i>Strategy</i>	<i>No.</i>	<i>Strategy Flyer Description</i>
<b>Preferred LLC</b>	45	This flyer illustrates a tax-efficient vehicle for owning life insurance in a way that distributes cash value and a death benefit 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 from a captive insurance company.
<b>Buy-Sell Agreement</b>	44	This flyer shows a variety of methods for funding a buy-sell agreement with pre-tax dollars.
<b>Tax-Deductible Buy-Sell</b>	37	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.)

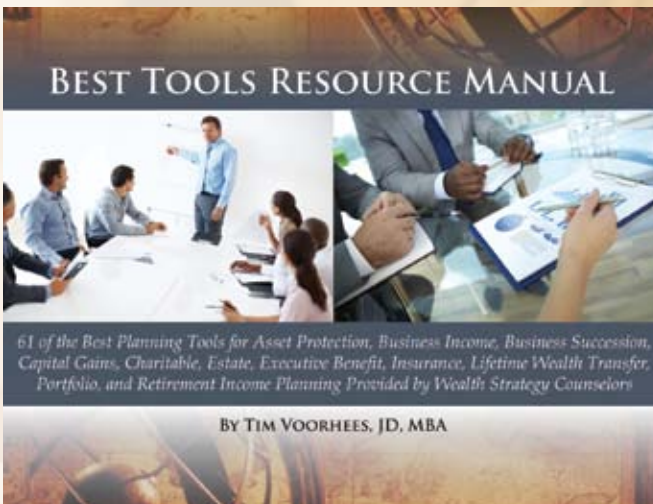
## Capital Gains Planning

<i>Strategy</i>	<i>No.</i>	<i>Strategy Flyer Description</i>
<b>Capital Gains Split Dollar</b>	17	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 Capital Split Dollar agreement. This 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.
<b>Charitable Remainder Trust</b>	24	Securities, property, and other assets can be sold tax-free in a 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.
<b>Installment Sale to a Non-Grantor Trust</b>	49	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.
<b>Super CLAT</b>	31	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.



# BEST TOOLS FLYERS NOW AVAILABLE IN A CONVENIENT PRINT EDITION

The Best Tools Resource Manual provides a client-friendly two page summary of 61 of Matsen Voorhees Law's top wealth planning strategies for high net worth clients. To receive more information on licensing this book, please email our marketing coordinator, Lindsey at [LMcGonegal@MatsenVoorhees.com](mailto:LMcGonegal@MatsenVoorhees.com), call 800-447-7090, or visit [www.BestToolsWorkshop.com](http://www.BestToolsWorkshop.com).



*Call 800-447-7090 or visit [www.BestToolsWorkshop.com](http://www.BestToolsWorkshop.com)*

## Matsen Voorhees Law



*Maximizing Value with Estate, Business, Tax,  
and Asset Protection Planning*

695 Town Center Drive  
7th Floor  
Costa Mesa, CA 92626  
Phone: 800-447-7090 or 714-384-6580  
Fax: 866-447-7090  
[www.MatsenVoorhees.com](http://www.MatsenVoorhees.com)  
[info@MatsenVoorhees.com](mailto:info@MatsenVoorhees.com)

Readers of this document should consult with independent advisers regarding the tax, accounting and legal implications of the proposed strategies before any strategy is implemented. Nothing in this presentation is intended to offer securities or investment advice. Tax and regulatory rules affecting strategies in this document may change often and have varying interpretations. To ensure compliance with requirements imposed by the IRS under Circular 230, we inform you that any U.S. federal tax advice contained in this communication is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code or for promoting, marketing or recommending to another party any matters addressed herein.