



# Newsletter

JULY 2008

## Professional Legal Assistors

22647 Ventura Blvd.

# 504

Woodland Hills, CA 91364-1416

(818)347-0101 / (800)621-7008

Toll Free Fax (888)232-9022

Email: [dottie@biz-usa.com](mailto:dottie@biz-usa.com)

Visit us at

<http://www.biz-usa.com>

Our office will be closed for the following holidays:

July 4<sup>th</sup>, 2008 – Independence Day

September 1, 2008 – Labor Day

Our next newsletter will be mailed out the beginning of October 2008.

Remember if you have an article that you would like to contribute to our newsletter just fax it to us for our review. We must receive the article no later than September 15<sup>th</sup> for our October newsletter.

## INSIDE THIS ISSUE

- 1 Staying Invisible & Building Wealth Secretly - Burying Wealth in Bearer Investments**
- 2 Best Bearer Investments – Moving Money**
- 3 14 Safeguards to Build Your Wall of Privacy**
- 4 Safety Deposit Boxes in Banks**

## STAYING INVISIBLE AND BUILDING WEALTH SECRETLY

Now more than ever before you need financial privacy as a key ingredient in your asset protection plan. When people know you're wealthy, you're an easy target for lawsuits. It's difficult today to keep your wealth private. Your tax returns are more assessable than ever before. Your finances are locked in the computers of countless private companies and government agencies. Credit bureaus, banks, insurance agencies, health providers and virtually every other organization you do business with monitors closely your personal affairs. Your finances are no secret. And the greater your wealth, the greater your need to hide your wealth in private places, or invested in secret assets that cannot be discovered. .



## Why it's Smart to Bury Wealth in Bearer Investments

One of the best strategies to gain privacy for your wealth is to convert titled assets—such as real estate or stocks and bonds into “bearer” investments. Bearer investments include gold, diamonds, art, stamp collections, coins and similar collectibles. These offer enormous asset protection because they're easily transported and are completely confidential and private. Buy and sell collectibles through a third-party such as your own privately-held corporation, for even greater privacy.

An investment of many thousands of dollars in

gold or diamonds occupies little space, can easily be transported as you travel, and is easily reconverted into cash-all in complete confidentiality and privacy. One major drawback: Security. Once your collectibles are lost or stolen, they are gone forever. Insurance is expensive and a give-away that you own these assets. This problem can be somewhat solved by having these assets held by a corporation that conceals your ownership.

## **How to Bury the Best Bearer Investments**

Bearer assets are not only a simple way to safeguard assets, but purchased wisely they can also be excellent investments. Diamonds, gold, art, coins and stamps can dramatically increase in price. Caution: It is equally easy to lose money with these investments. Consider their investment qualities:

- Gold is most popular among these investments. Fabricated as coins, bullion or even jewelry, gold is the basic international unit of value. Still, the market for gold is very unstable and it can rapidly and widely fluctuate in value. Gold can always be sold for its current market value and is easily liquidated back into cash. This is its one big advantage. Silver and platinum feature similar investment characteristics.
- Diamonds are more stable an investment than gold. Diamonds, however, greatly vary in value between appraisers, so your diamonds must be bought at the lowest possible price. This is the only way to avoid a loss on resale.
- Coins. Rare coins enjoy a relatively large demand. Thousands of international coin dealers insure your ability to quickly sell your coin collection. As with diamonds, unless you have inside sources, you will probably buy coins at near-retail prices and suffer a loss over the short-term.
- Stamps may be your best bet. Good stamp collections increased in value approximately 15 percent annually over the past 15 years. Stamps also enjoy a large market, so they too can be easily liquidated. The downside: Stamps require a sophisticated investor who can value and trade them profitably. This takes knowledge.
- General collectibles. Available to you are a potpourri of many different collectibles:

Art, antiques, baseball cards, autographs, rare comic books, and even vintage wine. Each has exceptionally high profit potential but there can also be large losses since their respective markets are controlled by so few players. Unlike other bearer assets, these collectibles are also less portable and more difficult to liquidate quickly.

The one best way to invest invisibly: Buy gold bullion or coins and store them in a safe deposit box registered in the name of a living trust or corporation. Keep each buy-sell transaction under several hundred dollars. Coin and gold dealers must report any suspicious transaction to the federal government, so large or unusual deals should be avoided. Finally, use cash to pay for your safe deposit box. Avoid any paper connection between yourself, your safe deposit box and the gold

Another good investment: Warehouse certificates for precious metals located in Zurich, Switzerland. Swiss certificates are registered to the buyer, therefore, use a corporate or trust intermediary. There's a steady market for Swiss certificates, and they are available through several precious metals wholesales in Zurich. As the holder of the certificate, you can always demand delivery of your precious metals. This guarantees your liquidity.

What portion of your assets should you invest in collectibles? The answer depends on your savvy as an investor. If you are confident you can profitably trade and you are not risk adverse, then invest a larger percentage of your wealth. If you are inexperienced with these assets, then either find a professional to invest for you, or ignore collectibles as an asset protection option. Your wealth will be less safe than if exposed to creditors.

## **How to Move Your Money Quietly**

Keep a low profile when moving funds into secret investments. Your objective is to avoid government reporting requirements. But count on the fact your bank will have trouble keeping your secret from the government. Here's why: The Bank Secrecy Act of 1970 does everything possible to reveal your every banking transaction to the government. This law (the "Currency and Foreign Transaction Reporting Act of 1970") compels all U.S. depository institutions to maintain specified records as well as report various banking transactions to the government. How does the government make your bank keep tabs on you?

- Checks above \$100 must be microfilmed and retained by your bank for at least five years.

- Your bank must file a report of every deposit, withdrawal, exchange of currency, or other transfer or payment by or through your bank, of currency of more than \$10,000. This applies only to cash transactions, and not check transactions. These reports also identify the parties involved.
- Your bank must report all transfer of funds over \$5,000, whether into or out of the United States.
- If you either own or control a foreign account, you must file a separate tax form identifying your account. Foreign account records must be kept available for five years.
- Your bank must keep a record of loans in excess of \$5,000, except for real estate mortgages.
- Your securities broker must keep a signature card showing your trading authority for your securities transactions. Brokers must also obtain your social security number.
- Financial institutions must record and verify your identity when you complete a reportable transaction.
- Finally, the law requires your financial institutions to retain a copy of all transactions between themselves and you.

The scope of reporting that allows the government to spy on you compels you to come to one big unsettling fact: Your bank really can't keep a secret! The one best way to transfer large sums and keep it secret: Have your bank wire the funds or buy a money order.

No, you can't rely on US. Banks for secrecy. A creditor, for instance, can find out about your assets by obtaining your checking account records for the past several years. The creditor need only subpoena your bank to turn over this information.

The federal government once had the absolute, unstoppable right to pry into your bank records. Recent laws make it slightly more difficult for government investigators to go after these records, but that doesn't mean it's either impossible or even overly difficult for the government. While the government can no longer go on a fishing expedition, government investigators can get a warrant if they can show probable cause that a violation occurred. Federal investigators routinely obtain search warrants, so there's no reason to believe the new laws give you meaningful protection or financial privacy. There are still plenty of myths on how you can keep your wealth strictly private. Here are the three biggest:

- Buy bearer bonds: Unfortunately they're no longer private. New issues of bearer bonds that don't disclose the owners name have been outlawed since 1982. You can borrow the few leftover bonds issued before that date.

but when you redeem it the IRS receives a Form 1099-B from your brokerage firm to advise them of your transaction.

- Send cash or bearer instruments overseas (cashier's checks payable to "cash", money orders, etc.): It's a felony to send \$10,000 or more to a foreign country without reporting it to U.S. customs. You need no report less than \$10,000.
- Buy sell with cash: Few brokers sell for cash, and all stock purchases above \$10,000 are reported to the IRS.

## **Fourteen Safeguards to Build Your Wall of Privacy**

How can you gain more privacy for your asset protection program? Here are 14 essential steps:

- Don't disclose your social security number for identification unless required by law. No law actually requires you to either have or reveal a social security number. It's true, no bank will open an account for you, nor employer hire you, without one. The IRS also becomes annoyed with taxpayers without a SSN.
- Set up a company to handle sensitive transactions. Incorporate, so your business has its own taxpayer identification number. Do you have many sensitive transactions? Spread them through several different companies.
- Keep checking account transactions to an absolute minimum. Cash, money orders, or credit cards are safer to use
- Be particularly careful when investing money abroad. Watch currency reporting limits.
- Never involve a bank in cash transactions over \$10,000. Split the transaction into two or more smaller transactions. Then put them through your bank on separate dates so your bank won't consider it one reportable transaction.
- Limited the financial information you disclose on credit applications, or when opening bank or brokerage accounts. Supply only the essential information and nothing more.
- Conduct as many transactions as possible as bearer transactions since these are not reportable under your name.

- Use only accountants, financial planners and investment advisors who will hold your financial information confidential. The same is true when selecting banks. They should each agree to notify you should they receive a request or subpoena for information about you or your finances.
- Use a post office box or mail drop service to receive confidential or sensitive legal or financial documents.
- If you do incorporation, use a Delaware corporation. Delaware gives your corporation more privacy than any other state – including Nevada.
- Use private vaults or secure home or office safes for your cash and valuables. Bank safes are not as secure for financial protection.
- Use irrevocable living trusts to bequeath your property. Avoid probate and the inevitable financial disclosures and publicity that probate requires.
- Borrow from and do business with those who demand the least amount of information about you.
- Deploy your assets and investments in a way that requires the least amount of detailed information on your tax returns.

## Safety Deposit Boxes in Banks

In the US, as of June 2006, Wells Fargo, N.A. is the only bank in the United States to receive the highest

possible credit rating.

**In the UK**, the “Big 4” UK banks, Lloyds, TSB, Barclays, HSBC and Nat West all offer safety deposit boxes to their clientele. As of September 2006 Lloyds TSB Bank was the only AAA rated bank.

**In the EU**, Rabobank is one of the few banks in Europe that the world’s leading rating agencies have awarded the AAA rating – the highest possible rating available. It has offices internationally but in the US it only has local offices in California where clients can “store important documents and valuables in the security of Rabobank’s vault storage boxes.”

**In Switzerland**, Rabobank took over Bank Sarasin, which was founded in 1941 and one of Switzerland’s leading private banking institutions and largest private banks. Sarasin’s clients can use their safety deposit boxes.

There are many other secure Swiss banks who as a matter of course provide safety deposit box facilities to their clientele.

\*\*\*\*\*

I often wonder why people do not make more of the marvelous power there is in kindness. It is the greatest lever to move the hearts of men that the world has ever known – greater by far than anything that mere ingenuity can devise or subtlety suggest. Kindness is the kingpin of success in life; it is the prime factor in overcoming friction and making the human machinery run smoothly.

**Andrew Chapman**

Professional Legal Assistors  
 22647 Ventura Blvd.  
 # 504  
 Woodland Hills, CA 91364-1416

ADDRESS SERVICE REQUESTED

FIRST-CLASS MAIL U.S. POSTAGE PAID CANOGA PARK 91304 PERMIT No. 490
---------------------------------------------------------------------------------------