

Nevada top among pro-debtor states

By Ashlea Ebeling, Forbes

Forget about hiding money offshore from the Internal Revenue Service—unless you want to risk the penalties, back tax bills and threat of prosecution that thousands of American clients of abs now face. But what about protecting your cash from vexatious litigants, a grasping ex-spouse or pesky creditors? Then offshore trusts are still an option, but a far less attractive one now that legal reporting requirements for offshore holdings have become more onerous and some U.S. judges have taken to jailing folks who won't (or can't) turn over offshore assets.

That's good news for the lawyers and bankers promoting domestic asset protection trusts instead. "U.S. clients don't want to be offshore anymore," crows Al W. King III, co-chief executive of the South Dakota Trust Co., who woos wealthy clients from his office in New York City. Last year New Hampshire became the twelfth state to allow these trusts (see table, below). As the competition has intensified, states have been tweaking their laws to make them even more favorable to debtors. Currently Alaska, Delaware, Nevada and South Dakota have the most trust business and the most pro-debtor laws.

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