

SEATTLE COMPANY AND OWNERS PROTECTED AGAINST ASBESTOS LAWSUITS

CASE STUDY

Asset Protection System™ protects the owners, directors, and officers of an insulation company from significant corporate and personal liabilities in class action lawsuits.

Case Overview

An insulation company in Seattle had recently acquired an old insulation and products company that during their early years of existence sold asbestos-based products and insulation.

Although they acquired the company knowing about the asbestos issues, they felt the liability insurance that was presently in place would be adequate to handle any claims made against the old company.

Soon after their acquisition, the new owners asked our firm to create an asset protection contingency plan. They saw signs that a coalition of law firms were pooling their resources in order to launch class action suits against them. They were worried that awards from those cases would liquidate the insurance funds and spill over into their present company and their personal estates. They wanted to protect their new company and personal estates from those claimants.

We were engaged to clean up the present operating entities and implement an Asset Protection System™ that separated and protected the critical assets of the company, owners, directors and officers from contingent liabilities of the old company.

In addition to asset protection, the system also generated approximately \$30,000 of income tax savings per year for each of the owners as well as significant estate tax savings for the owners of the company.

Five years later, their fears were realized. A series of class action lawsuits were initiated against the old company, and soon, the awards from those cases exhausted the insurance funds. The plaintiff attorneys began looking for any other “deep pockets” (entities, directors or officers) within the new company they could attack.

Case Resolution

We received a call from the company’s CEO asking us to meet with their bankruptcy attorneys in Seattle. The key issue was how to insulate the liability laden operating company from their new company yet not miss a beat in continuing with “business as usual.”

After a comprehensive review of our client’s Asset Protection System™ by the bankruptcy attorneys, the bankruptcy attorneys stated that with little effort and capital loss, the old company could simply cease business operations and the new company could be in full operation shortly.

Not a single lawsuit was ever launched against any of the new entity structures nor any of the owners, directors or officers of the company.

CLIENT TESTIMONIAL

“It’s a good thing to know how to protect the things that we spend a lifetime building. We didn’t want to be a sitting duck in the litigious world we live in today, where people want to take what you have worked so hard to build. The Asset Protection System™ Scorecard process told us we still had some yellow and red assets that we wanted to make green. The process showed Tom and I that a lot of things were at risk that we didn’t think were.”

— **Dr. Carrie and Thomas**
from Kentucky