Domestic Asset Protection Trust (DAPT)

What is a DAPT?

A DAPT is a particular type of Trust known as a Domestic Asset Protection Trust. The value in a DAPT is it is carefully designed to protect a portion of a person's assets from creditors and lawsuits while making sure those same assets can be used to support the creator of the Trust, also known as the settlor or grantor.

This has not always been possible. Traditionally, you could not create a Trust for yourself and keep the assets locked away from your creditors. You could create one for the benefit of someone else, like a child, and protect the assets from his or her creditors, but you could not do the same for yourself. If your Trust could be used to support you, your creditors could get to it. A select group of states have since changed that, the foremost being South Dakota and Nevada. By using these states' laws, we can isolate and protect an individual's hard earned assets without cutting them off or getting rid of them. It is a wonderful planning opportunity that provides peace of mind and great protection from messes and lawsuits down the road.

What can I put in a DAPT?

The asset types that typically go into a DAPT—and are therefore protected from creditors—are stocks, bonds, cash, mutual funds, business interests, and occasionally real estate.

Who should be thinking about a DAPT?

Those with the most to lose—business owners and executives, medical professionals, and those with a high-net worth. Individuals that, for reason of their position or profession, are high liability targets for lawsuits and claims.

How good is a DAPT really?

Pretty good. No asset protection strategy is perfect, but DAPTs serve as an incredible deterrent that almost universally encourage creditors to settle for less or go away altogether.

GOOSMANN TRUST LAW COUNSEL™

A boutique department within Goosmann Law Firm

www.TrustLawCounsel.com • (855)-THE-GLF1