

## Russ Lombardy II, LL.M. [Tax]

Russ Lombardy is the founder of Monarch Wealth Attorneys. Russ dedicates his practice to trust design, sophisticated estate planning, wealth law, transfer tax planning, asset protection, and business continuity planning. He is an equity holder of Monarch Wealth Attorneys, a Colorado-based law firm.

Russ is a native of Clinton, Maryland, and worked for several years as a software engineer after graduating from the University of Maryland, College Park, with a Bachelor of Science Degree in Physical Sciences (with concentrations in Physics, Computer Science, and Mathematics). He then moved to Miami, Florida, where he earned an academic scholarship to St. Thomas University School of Law. During law school, Russ was an editor of the school's law review, was professionally published, and was the president of the local chapter of the largest legal fraternity in the nation (Phi Alpha Delta). Russ graduated law school and received a J.D. with academic honors. He then went on to continue his education at New York University where he received a Master of Laws Degree (LL.M.) in the top federal taxation program in the country.

Russ built his legal career in New York where he worked for a well known international tax law firm designing large estate plans and wealth transfer transactions for international families. He was then recruited by one of the Big Four accounting firms as a federal tax manager to work with their largest clients designing sophisticated multijurisdictional financial structures.

Russ has a significant amount of international planning experience as he has transacted business in over 50 countries.

Russ belongs to various estate planning, charitable, and legal organizations in Colorado, including the Colorado Bar Association, the Boulder County Bar Association, and the Boulder County Estate Planning Council.



## Monarch Wealth Attorneys

We protect wealth.

Monarch Wealth focuses exclusively on wealth preservation through transfer tax mitigation and asset protection. The attorneys at Monarch Wealth help individuals and families at all levels of wealth minimize their exposure to the estate tax, the gift tax, and the generation skipping transfer tax. Additionally, we provide liability protection and income tax planning through the appropriate structuring of asset ownership and business activities.

Monarch Wealth attorneys are not generalists. We do one thing—we help you protect your wealth—and we do it well. We are firmly committed to avoid becoming a part of the mediocre majority that currently exists in many legal practice areas. The professionals at Monarch Wealth give out direct telephone contact numbers and endeavor to return all messages, whether voice mail or email, within the business day.

Monarch Wealth was founded by wealth lawyers to provide an experienced approach to the provision of a highly focused set of legal services. The philosophy of Monarch Wealth is to provide exceptionally deep knowledge in the area of wealth preservation, and to decline to practice in other areas. *Sophisticated Solutions; Discreet Services; Thorough Planning; Monarch Wealth.*

### Trust Design

### Sophisticated Estate Planning

### Wealth Preservation and Transfer Strategies

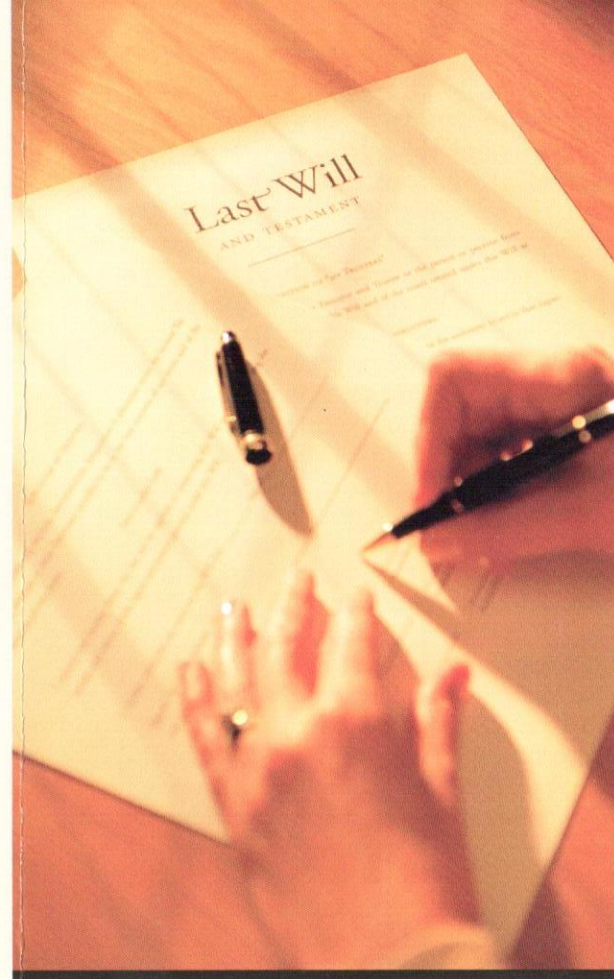
### Estate, Gift and GST Tax Mitigation

### Domestic and International Asset Protection

### Business Succession Planning

## Monarch Wealth Attorneys

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# Estate Planning In 2011

## Monarch Wealth Attorneys

## Estate Planning in 2011

On December 17, 2010, the Tax Relief, Unemployment Insurance Authorization, and Job Creation Act of 2010 was signed by the President. This law puts a \$5,000,000 estate tax, gift tax, and generation skipping transfer tax “exemption” in place for two years. Based on current estimates, less than one-half of one percent (yes, less than 0.5%) of estates will be subject to the estate tax in 2011 and 2012. Many estate planning professionals believe that we will never again see an exemption below \$5,000,000 (however, for the record, many of us were wrong about what 2011 would bring). As a result of this law and current tax environment, estate tax planning can finally (and rightfully) take a back seat to family-oriented wealth transfer planning and asset protection for most people.

A comprehensive estate plan may include a Revocable Living Trust and will almost always include a Last Will, Financial Power of Attorney, Medical Power of Attorney, and Medical Directive (Living Will). A well-designed estate plan will meet different goals at different life stages.

During life, your estate plan should allow you to manage and enjoy your assets as fully as possible while transferring assets to subsequent generations and meeting charitable goals to the extent you desire.

Upon disability, your powers of attorney should allow decision makers of your choice to assist you without requiring them to endure court administered guardianship and conservatorship proceedings.

At your death, there should be no ambiguity surrounding how your estate will be distributed. If you have minor children at your death, guardians will be nominated to care for them in your Last Will.

As your life changes, it is important to determine whether your estate plan is comprehensive enough to fully protect you and your family.

## Wealth Transfer Planning

Wealth transfer refers to the ability to move accumulated wealth to other individuals, typically children, utilizing methods that result in a minimum amount of transfer tax and a maximum amount of asset protection.

The use of Family Limited Partnerships (FLPs), Family Limited Liability Companies (FLLCs), and a variety of trusts may be useful in certain situations to pass wealth to successive generations at a discounted tax cost. However, this area of planning has undergone significant changes in the past few years and an experienced planner is a must to reap the potential benefits of these tools.

Different assets often require different transfer techniques—a family business is very different from an investment portfolio, for instance.

Life insurance is used in many estate plans as a wealth replacement device. An Irrevocable Life Insurance Trust (ILIT) may be used to own life insurance to replace the value of an estate that is taxed. Value in such a trust will not be taxed in any estate, and will reach the beneficiaries income tax free. Additionally, the individual who sets up the trust may dictate how the beneficiaries receive their payouts.

## Asset Protection Planning

Asset Protection is many things to many people. At its most basic, it is simply segregating investments that could generate liability (such as investment properties or equipment in a business) from “safe” investments. This is typically accomplished by establishing one or more entities with limited liability such as a Limited Liability Company (LLC) to hold the assets that have the potential to create liability.

Additionally, many forms of Asset Protection Trusts—in domestic asset protection jurisdictions such as Alaska, Delaware, Nevada, South Dakota, and others, as well as in Foreign Jurisdictions such as the Cook Islands and Nevis—can be used to minimize the likelihood of an adverse impact from a future creditor. This type of asset protection planning is often utilized by individuals with professions that have the potential to generate significant liability.

## Special Needs Planning

Planning for a family member with special needs is often a difficult endeavor for families with significant assets. Many planning techniques are available to ease this responsibility.

## Design Driven Estate Planning

An estate plan needs to be more than just a group of documents. It needs to be a coordinated strategy designed to meet a number of goals. However, appropriate transactional documents are crucial to implementing the strategy.

Important components of a focused estate plan may include one or more of the following in addition to the other strategies discussed in this brochure:

- Dynasty Trusts
- Personal Residence Trusts
- Grantor Retained Annuity Trusts
- Charitable Remainder Trusts
- Charitable Lead Trusts
- Private Placement Life Insurance Structures
- Sales to Grantor Trusts

## Practice Philosophy

The philosophy of Monarch Wealth Attorneys is to provide exceptionally deep knowledge in a limited number of areas and to decline to practice in other areas.

We take our obligations to you seriously and are always happy to discuss your planning options (or challenges) with you.

