



The Wyoming Trust Playbook

A Guide to Wyoming Qualified Spendthrift Trusts
and the Structures Behind Them

A Note from Mark Pierce, Attorney at Law

Thank you for your interest in establishing a Qualified Spendthrift Trust, Private Trust Company, and Non-Charitable Specific Purpose Trust. This guide has been prepared to give you a clear understanding of how these structures work, what they protect, and what it takes to put them in place.

Over more than four decades in practice, including work in bankruptcy court, tax court, and business litigation, I have seen a consistent pattern: the families who plan early keep more of what they earn, recover faster from setbacks, and build wealth that lasts for generations. Those who wait until a lawsuit, divorce, or financial crisis is already underway discover how few options remain.

This guide is designed to close that gap. If you have questions after reading it, or if you would like to discuss how these structures apply to your specific situation, I welcome the opportunity to speak with you.

You may book a consultation at wyomingtrustattorney.com. [The initial consultation is \\$375](#). If you elect to move forward, the fee is applied toward the cost of your engagement.

Best Regards,

Mark Pierce, Esq.

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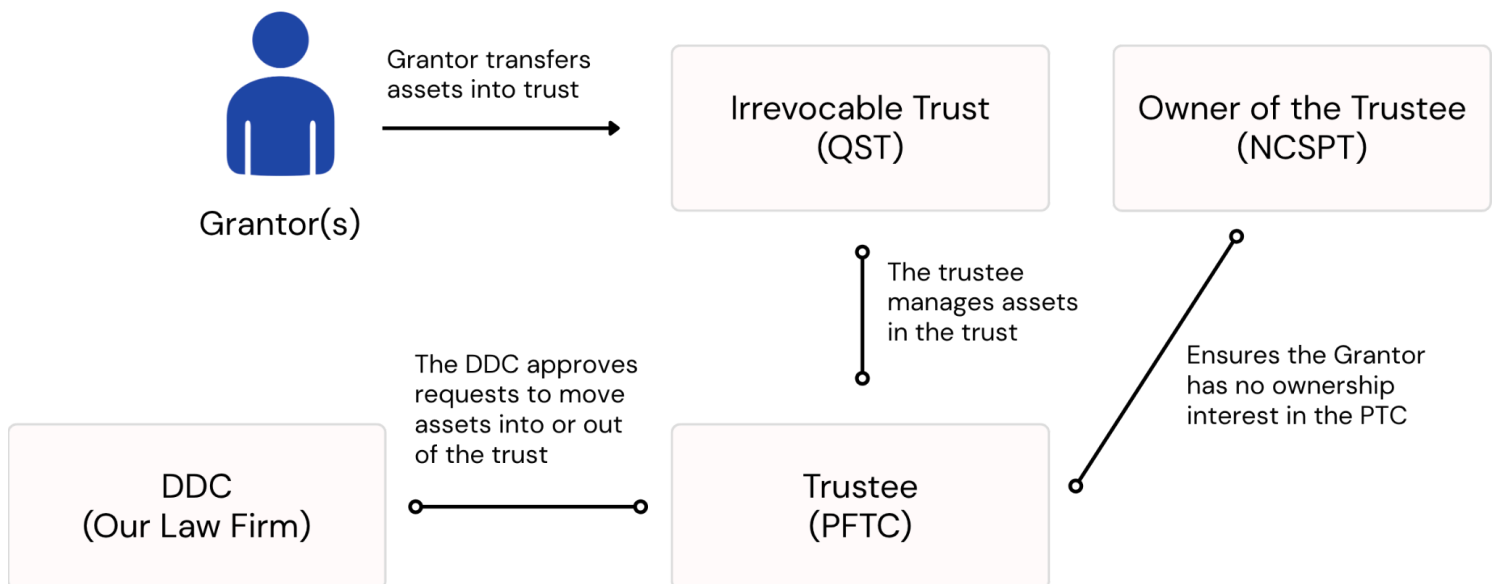
What is a Qualified Spendthrift Trust?

A Qualified Spendthrift Trust (QST), also referred to as a Domestic Asset Protection Trust or DAPT, is a statutory trust that allows you to place assets into a protected legal structure while remaining a beneficiary of that trust. Unlike a standard LLC, a QST can protect personal property, including your home, vehicles, investment accounts, and business interests, from future creditors.

Most states do not permit self-settled spendthrift trusts. Wyoming does, and it has developed one of the most protective trust frameworks in the country.

The QST is an attractive option for individuals who want to protect their wealth without giving their assets away, transferring them to a trust they cannot benefit from, or moving them to a foreign jurisdiction. You retain beneficial ownership. The trust holds legal title. That distinction is what provides the protection.

Overview of the Qualified Spendthrift Trust Structure

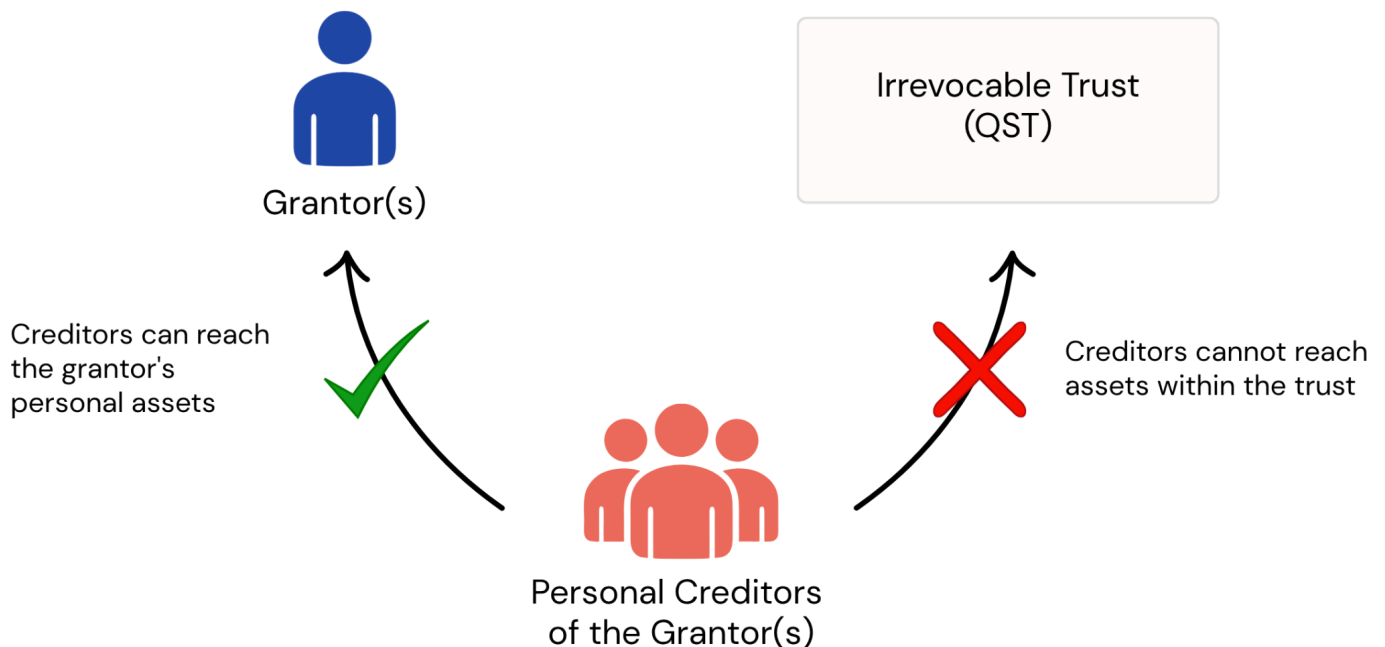


How Does a Trust Protect Assets?

As a beneficiary, you enjoy the use and benefit of the trust's assets. But because the trust, not you personally, holds legal title, those assets cannot be seized to satisfy your personal debts or legal judgments. A trust is treated as its own legal entity. Its assets cannot be taken because of something you did, in the same way that your creditor cannot pursue your neighbor's property to satisfy your obligations.

This structure accomplishes several things at once. It deters frivolous lawsuits, because a plaintiff's attorney knows the assets they are targeting are not easily reachable. It limits any potential recovery, because the trust creates a layer of legal complexity that raises the cost of litigation for the opposing party. And it strengthens your negotiating position, because creditors who do obtain a judgment face a much narrower path to collection.

The most a creditor can do is attempt to attach to direct cash distributions the trust makes to you personally. If that happens, there are well-established alternatives. The trust can pay your expenses directly (mortgage, credit cards, other obligations) rather than distributing cash to you for you to pay. Other family members may also be named as beneficiaries. These options frequently deter creditors from pursuing claims at all, and often force significantly more favorable settlement terms when they do.

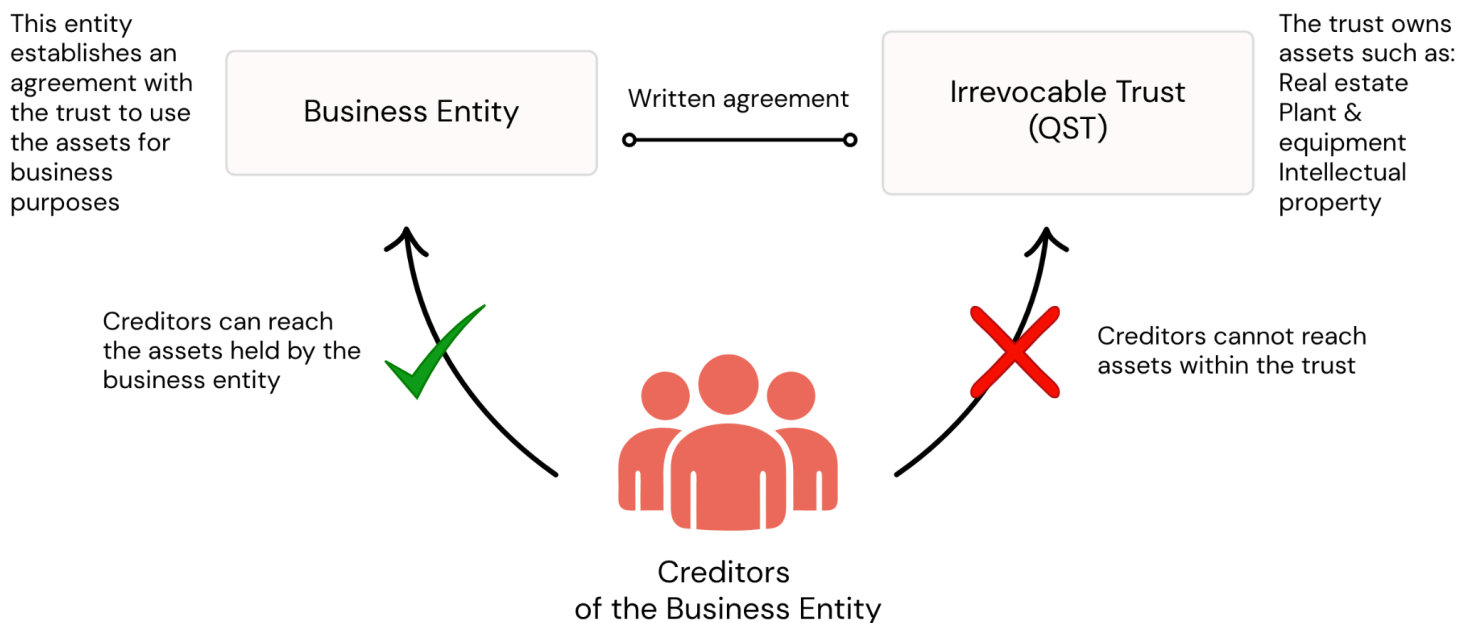


What Type of Trust Property is Protected?

The Wyoming QST provides protection for nearly any type of property. Assets that can be protected include, but are not limited to:

- Personal residence
- Rental properties and real estate investments
- Investment and brokerage accounts
- Intellectual property, including patents and trademarks
- Bank accounts
- Holding companies and subsidiaries
- Cryptocurrency and digital assets
- Limited liability companies
- Corporations
- Captive insurance companies
- Property, plant, and equipment

The graphic below shows how you may use a trust to hold valuable assets which are then leased to operating entities. In the event of a catastrophic judgement, you may wind up the operating entity and create a new one. This segregates valuable assets from operational liabilities and allows you to continue operating:



What Type of Trust Property is Not Protected?

A QST is not designed to protect assets from every type of claim. These limitations exist by design. This is a legitimate planning structure, not a mechanism for evading obligations you rightfully owe.

A QST does not provide protection for:

- Property required for the payment of court-ordered child support.
- Property listed on an application or financial statement used to obtain or maintain credit from a creditor.
- Property that has been fraudulently transferred to the trust pursuant to the Uniform Fraudulent Transfer Act, if a claim is made within the applicable statute of limitations.
- Property transferred with the actual intent to hinder, delay, or defraud a creditor, if challenged within the statute of limitations in a bankruptcy proceeding.

At the time of transfer, you must sign an affidavit affirming:

- You have full right, title, and authority to transfer the property.
- The transfer will not render you insolvent.
- You do not intend to defraud any creditor by making the transfer.
- You do not have any pending or threatened court actions against you, except those specifically identified in the affidavit.
- You are not in default of a child support obligation by more than thirty (30) days.
- You are not contemplating filing for bankruptcy.
- You will maintain personal liability insurance of at least \$1,000,000, or coverage equal to the fair market value of the total transfers to the trust, whichever is less.
- Additionally, federal bankruptcy law (11 U.S.C. § 548(e)) imposes a ten-year look-back period for transfers to self-settled trusts made with actual intent to hinder, delay, or defraud creditors. This federal statute applies regardless of state limitation periods and should be considered when planning the timing and structure of transfers.

These requirements reinforce an important point: the effectiveness of this structure depends on planning ahead. Once a claim, lawsuit, or divorce is already underway, moving assets can trigger fraudulent transfer issues. The time to put this in place is before a threat materializes, not after.

The Non-Charitable Specific Purpose Trust

The Non-Charitable Specific Purpose Trust (NCSPT) is a lesser-known but critically important component of a well-designed trust structure. It is authorized by Wyoming statute and originates from English common law, where trusts were established to hold specific family assets (artwork, heirlooms, property) without any individual beneficiary having a claim to them.

The key feature of the NCSPT is that it has no beneficiaries. It exists to fulfill a specific purpose, not to distribute assets to individuals. That characteristic is what makes it so valuable in the context of legacy planning.

Here is the problem it solves: in a typical trust arrangement, someone must own the Private Trust Company that serves as trustee. If you own the PTC, a court or the IRS could argue that you effectively control the trust, undermining the very independence that provides your protection.

The NCSPT eliminates that problem. When the NCSPT owns the Private Trust Company, the PTC is genuinely independent. No individual has an ownership interest in it. You may act as a fiduciary of the PTC and direct investment decisions, but you do not own it. The trust is administered by the PTC, and the PTC is owned by an entity with no beneficiaries and no individual owners.

This structure resolves the ownership and control issues that the IRS and state agencies have historically scrutinized in trust arrangements. Wyoming's chancery court system, which specializes in trust matters, is well-versed in the NCSPT and the statutory framework behind it. These are not novel or untested theories. They are codified in Wyoming law and adjudicated by a tribunal that understands them.

Private Trust Companies

The Problem with Bank Trustees

Wealthy families have long used trusts to protect and transfer wealth. But for families who own operating businesses or actively manage their investments, the traditional approach of appointing a large bank or institutional trustee creates serious friction.

An institutional trustee operates on its own schedule, not yours. Decisions that you could make in an afternoon require formal requests, scheduled appointments, and internal approval processes that can take weeks. The bank's investment committee applies its own policies and risk parameters, which may not align with the way you have successfully managed your wealth for decades. And if you need to act quickly on a business opportunity or respond to an urgent situation, you are at the mercy of someone else's timeline.

Clients who have experienced this consistently describe the same frustration: the assets are theirs in every meaningful sense, but they no longer have the ability to manage them effectively. This is the problem the Private Trust Company was designed to solve.

What a Private Trust Company Does

A Private Trust Company (PTC) is an entity, typically structured as a corporation or LLC, that functions as your family's own trustee. It is managed by individuals you choose: family members, trusted advisors, or a combination of both. Rather than handing control to a bank, you retain the ability to direct investments, respond to business needs, and plan generationally, all within a structure that satisfies the legal requirements for an independent trustee.

The PTC also allows for what might be called financial parenting: younger family members can be integrated into the management of the trust over time, learning to steward the family's wealth rather than simply inheriting it. This creates continuity that an institutional trustee cannot provide.

Private trust company advantages include:

- Increased privacy
- Separation of investment management from family business operations
- Administrative centralization of estate, tax, and investment planning
- A permanent trustee structure that avoids succession problems common with individual trustees
- Flexibility to organize governance around the family's actual needs rather than a bank's standardized procedures

Distribution Control

The PTC establishes an investment committee to manage trust assets. You may serve as a manager of the PTC and as a member of the investment committee, giving you full control over investment decisions. You can buy, sell, and direct investments as you see fit within the trust. The only decisions that require outside approval are contributions to and distributions from the trust, which are handled by an independent distribution committee (DDC). That separation is a deliberate structural feature that reinforces the trust's creditor protection, not an inconvenience.

Formation

The requirements for forming a Wyoming PTC are straightforward. The PTC is formed by filing articles with the Wyoming Secretary of State, similar to forming a standard corporation or LLC. The articles must include a provision stating that the PTC will not hold itself out to the public as offering trustee services, and that it will serve as trustee for only one family.

Once filed, the articles are reviewed by the Wyoming Division of Banking. The approval process is efficient, and the PTC is then recognized in the same manner as any other business entity. It can immediately be designated as trustee of the family's trust.

Regulatory Considerations

Trustees of private family trust companies have been exempted from federal investment adviser registration under the Dodd-Frank Act, provided the PTC meets certain requirements: it serves only family clients, is wholly owned and controlled by

family members, and does not hold itself out to the public as an investment adviser. This exemption means the PTC operates without the regulatory overhead associated with public trust companies while still providing full trustee functionality.

Why Wyoming?

One of the most common misconceptions in estate planning is that you must form your trust in the state where you live. That is not the case. Jurisdiction is a strategic choice, and it can make a significant difference in how well your assets are protected, how private your affairs remain, and what tools are available to you. Wyoming offers a combination of advantages that few other states can match:

Self-Settled Qualified Spendthrift Trusts. Wyoming was among the earliest states to permit QSTs, trusts where you are both the grantor and a beneficiary, and its statutory framework remains one of the strongest in the country.

A Short Fraudulent Transfer Window. After assets are transferred into a Wyoming QST, the statute of limitations for a fraudulent transfer claim can be as short as 120 days (about four months). In other states, this window extends to two years or more. That difference matters enormously if timing becomes an issue.

A Dedicated Chancery Court. Wyoming has established an independent tribunal specifically for trust and business matters. The judges who preside over these cases are experienced in trust law, understand the statutory framework, and apply it consistently. Critically, proceedings before this court are automatically sealed. If your trust is ever challenged, the details do not become public record.

No State Income Tax. Wyoming imposes no state income tax and no state estate tax on trust assets. This preserves more of the wealth you have worked to build.

Domestic, Not Offshore. Unlike offshore structures in jurisdictions like the Cook Islands or Nevis, a Wyoming QST operates entirely within the U.S. legal system. It is recognized under domestic law, adjudicated in domestic courts, and protected by the full faith and credit clause of the U.S. Constitution. Offshore trusts may look appealing in theory, but they can create serious complications: U.S. judges have held individuals in contempt, including jail time, for claiming they could not repatriate

assets from foreign trustees. A Wyoming trust avoids these risks entirely while still providing substantial creditor protection and privacy.

You do not have to live in Wyoming to benefit from its laws. Clients across the United States and internationally establish their trusts in Wyoming precisely because of the legal environment the state has created.

Who Should Consider This Structure?

This guide is written for individuals and families who meet one or more of the following criteria:

High-net-worth families: Individuals or couples with \$2 million or more in assets outside their primary residence and retirement accounts, particularly those whose wealth is concentrated in businesses, real estate, or investment portfolios.

Business owners and entrepreneurs: Owners of closely held or family businesses with \$500 thousand or more in assets outside of retirement accounts.

Entrepreneurs face liability exposure through their operations and want to ensure that a single lawsuit, economic downturn, or family dispute does not destroy what they have spent years, or generations, building.

Professionals in high-risk fields: Physicians (especially surgeons, anesthesiologists, and ER doctors), attorneys, engineers, and other professionals whose earning power and accumulated wealth make them targets for litigation beyond what insurance alone can cover.

Individuals approaching these thresholds: If you are building toward significant wealth through a business exit, professional income, or investment growth, the right time to plan is before you become a target, not after.

Across all of these groups, the most common mistake is assuming that existing protections (an LLC, an insurance policy, a revocable living trust) are sufficient. In most cases, they are not. LLCs can be pierced. Insurance has limits. Revocable trusts offer no creditor protection whatsoever. A properly structured QST addresses the gaps that these tools leave open.

Cost and Process

Investment

The Comprehensive Trust Package starts at \$15,000. This is an integrated engagement that includes:

- Qualified Spendthrift Trust (QST)
- Non-Charitable Specific Purpose Trust (NCSPT)
- Private Trust Company (PTC)
- All related legal documents
- EINs for all entities
- Private and anonymous filings for all entities
- Notary fees
- First year of the Maintenance Package

The firm has invested considerable effort in refining and streamlining this process. What was once an engagement that could cost multiples of this figure and take months to complete has been organized into a structured, efficient process that can be completed in approximately three to four weeks, depending on the complexity of your situation and how quickly you provide the necessary information.

LLCs (holding companies, subsidiaries, or other entities) can be established for \$750 each, which includes formation, all first-year services, and registered agent fees. Land Trusts within the trust structure can be established for \$1,200.

Ongoing Maintenance

Beginning in the second year, the annual Maintenance Package is \$5,000. This covers the ongoing administration, compliance, and support necessary to keep your trust structure current and properly maintained.

The Process

1. **Book a consultation.** Schedule your initial consultation at wyomingtrustattorney.com (\$375, applied to your engagement if you proceed). Complete the intake questionnaire in advance so the conversation can focus on your specific situation from the start.
2. **Engagement and planning.** Once engaged, Mark will review your assets, family structure, and objectives, then design the trust architecture tailored to your circumstances. Your CPA is welcome to participate in these discussions.
3. **Drafting and review.** The trust documents are drafted and provided to you for review. A follow-up conversation addresses any questions and finalizes the structure.
4. **Execution and funding.** All documents are executed, entities are filed, and assets are transferred into the trust. The engagement includes all notary fees required for this process.
5. **Annual maintenance.** Each year, the firm conducts a review of your trust to address any changes in your circumstances, process contributions and distributions, and ensure the structure remains current. If questions arise between reviews, consultations are covered by your Maintenance Package.

Requirements for a Qualified Spendthrift Trust

The basic requirements for establishing a Wyoming QST include the following:

- The trust is established by you under Wyoming law as a Qualified Spendthrift Trust.
- At least one qualified trustee must serve as Trustee. The trustee must be a Wyoming resident, or a person or institution authorized by Wyoming to act as a trustee. A Wyoming Private Trust Company satisfies this requirement.
- The trust is irrevocable and cannot be amended, changed, or revoked once established.
- The trust must name its beneficiaries, which may include you, your family, friends, or charities. You retain the discretion to change beneficiaries.
- The Trustee has the authority to manage investments and make distributions to beneficiaries, but this authority must be exercised in the Trustee's sole discretion.
- You may serve as an investment advisor to the trust, with the ability to direct, approve, or disapprove of investment decisions.
- You may veto a distribution.
- You may remove or replace a Trustee.

Next Steps

If you are ready to discuss whether this structure is appropriate for your situation, the first step is a legal consultation. During that conversation, one of our attorneys will assess your assets, your family structure, and the specific risks you face, and provide a clear recommendation on how to proceed.

[Book your consultation by clicking here.](#)

Email: hello@wyomingtrustattorney.com

Planning is not reacting. The strongest protection is the kind you put in place before you need it.