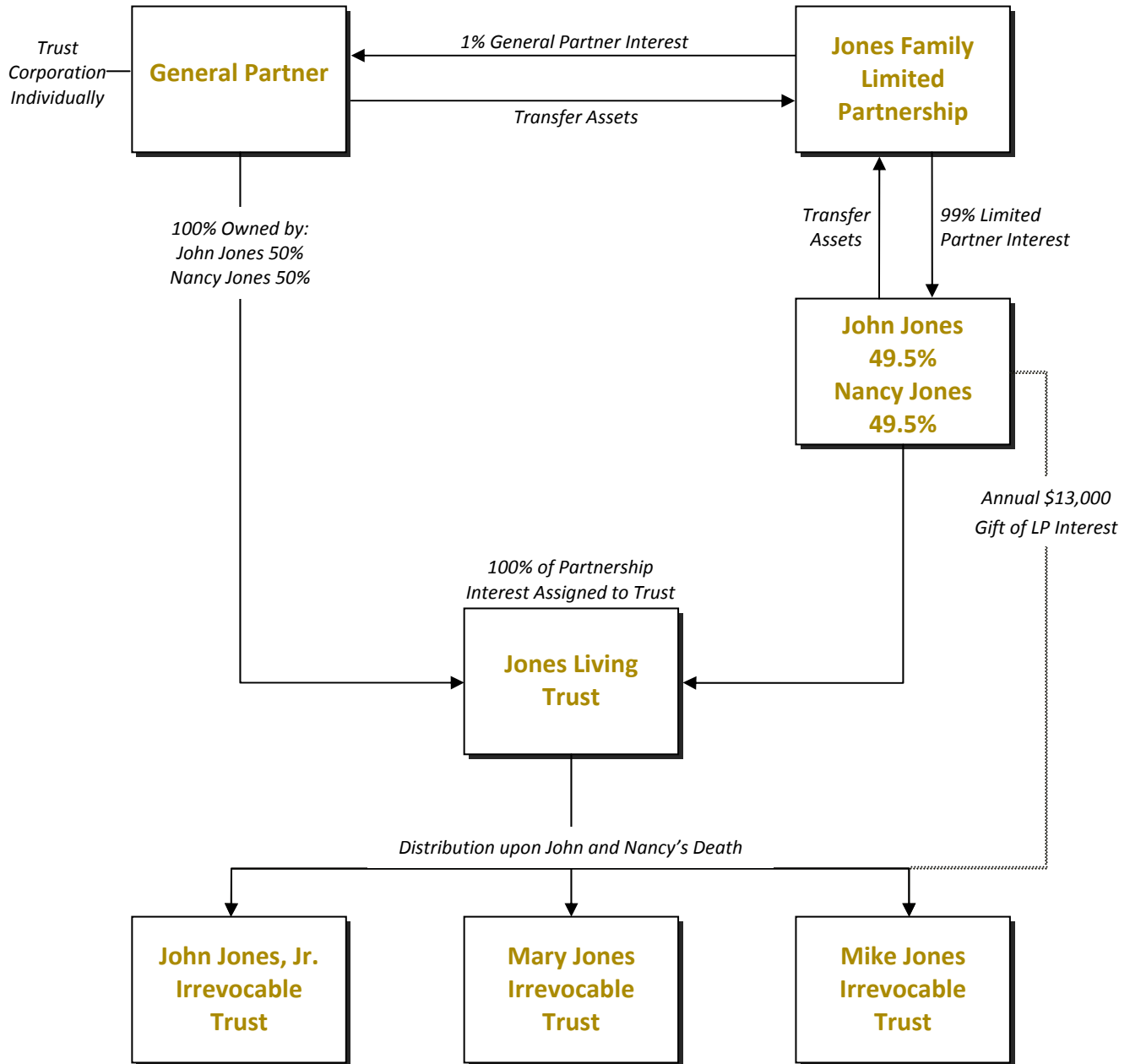


FAMILY LIMITED PARTNERSHIP



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SUMMARY

The Family Limited Partnership (FLP) is an attractive vehicle for the orderly management of family businesses and other assets such as real estate or stock portfolios. Since each FLP is custom-made, it can be tailored to meet particular family objectives. FLPs differ from other limited partnerships in that only family members, a family trust or a wholly-owned corporation are partners.

As a result of changes in federal and state law, an FLP can reduce a family's estate tax burden significantly, while limiting the rights of creditors to the limited partnership interests. The FLP allows the general partners (usually the parents) to exercise control of the partnership assets. The limited partners have no say in the management of the partnership and their liability is limited to their interest only.

CONSIDERATIONS

- ❖ General partners retain control.
- ❖ Partnership agreement is flexible and amendable.
- ❖ Income shifting possible.
- ❖ Assets protected from creditors.
- ❖ Family Limited Partnership is taxed as a partnership.
- ❖ Gift taxes reduced through discounting of minority interest.