

Don't underestimate  
women investors

# Financial Planning

INVESTED IN ADVISORS

Updated Tuesday, June 18, 2013 as of 10:04 AM ET

INDUSTRY - RIAs

## RIA Opens South Dakota Trust Company

by: Paul McCaffrey

National Advisors Holdings Inc. launched a South Dakota-based trust company Monday.

The National Advisors Trust of South Dakota will give National Advisors-affiliated RIAs and their clients access to some of the most flexible trust and tax statutes in the nation.

“NATSD is an important expansion to the trust services we provide to RIAs for their high-net-worth clients because of South Dakota’s advantageous trust and tax laws,” said David Roberts, NATSD chairman of the board as well as president and COO of National Advisors Trust Company, in a statement. “NATSD’s trust options make it easy for advisors to help clients pass their wealth on to future generations securely and efficiently, and retain clients through multiple generations.”

Before opting to set up shop in South Dakota, National Advisors evaluated the tax and trust laws of the various states to determine which would yield the most benefits.

With no state income tax and no taxes on dividends, interest, or capital gains, South Dakota stood out. Further adding to the state’s appeal, trusts in South Dakota enjoy robust privacy and security. There is also a strong creditor protection statute that prevents creditors from gaining access to a trust.

But what made South Dakota even more attractive than, say, Delaware—another state considered trust and tax friendly—is that its trust protections are codified as legal statutes. Many of the protections in Delaware are based on case law, Roberts said. So if a case is largely identical to one that was already decided favorably, he said, there is a good chance for a similar outcome.

In South Dakota, however, the protections are actually based on statute, according to Roberts. So long as a trust is South Dakota-based, he said, the courts do not have the ability to modify the outcome.

“South Dakota covered almost all the bases of the primary reasons why people would create trusts outside of their own jurisdiction,” said Roberts. “It’s a business friendly state. They like having trust companies there.”

Roberts’s assessment is supported by the [analysis](#) of Las Vegas attorney Steve Oshins, who helped write Nevada’s dynasty trust law. Oshins assigned ratings to each of the states based on their dynasty trust statutes and found that South Dakota, Alaska and Nevada led the pack, assigning them respective scores of 97, 95.5, and 95, well ahead of Tennessee at 88 and Delaware and Wyoming at 79.

The major difference among the top three, Oshins said, is the possible length of the trust. In Nevada the limit is set at 365 years and in Alaska 1,000 years. South Dakota trusts can be perpetual.



Founded in 2001, National Advisors Trust Company is a federally chartered trust company that operates in all 50 states and has roughly \$8.5 billion in assets under administration. Based in Overland Park, Kan., the company is owned by about 135 RIAs firms or their principals. In addition to trust administration, Nation Advisors offers custodial services as well as employee benefit accounts.

The NATSD is owned by National Advisors Holdings, Roberts said. National Advisors Trust Company and NATSD are separate entities.



---

 SOURCEMEDIA © 2013 SourceMedia. All rights reserved.