

DON'T KILL YOUR GOLDEN GOOSE



SUCCESSION STRATEGIES TO PROTECT
AND PERPETUATE YOUR BUSINESS

LARRY OXENHAM

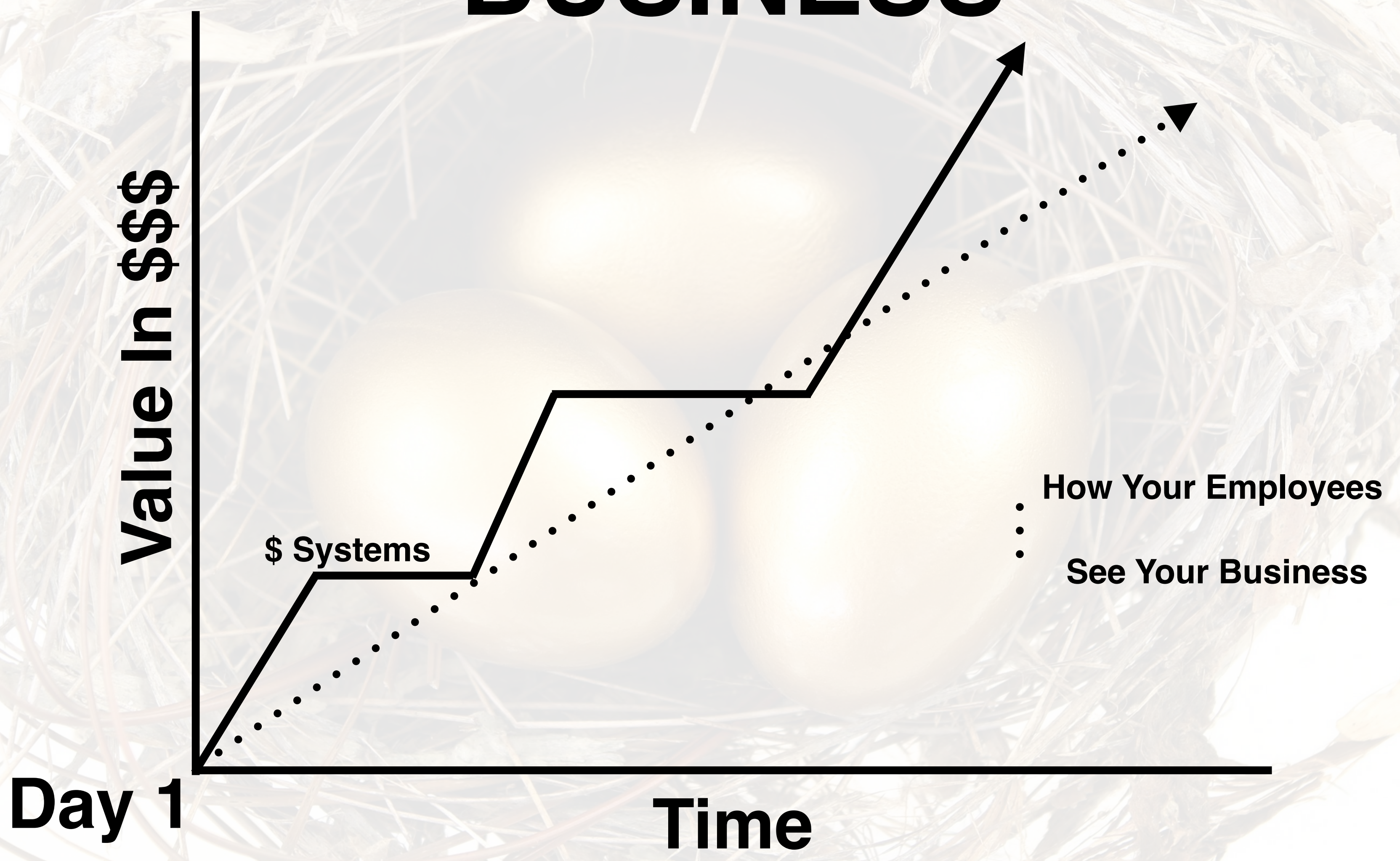


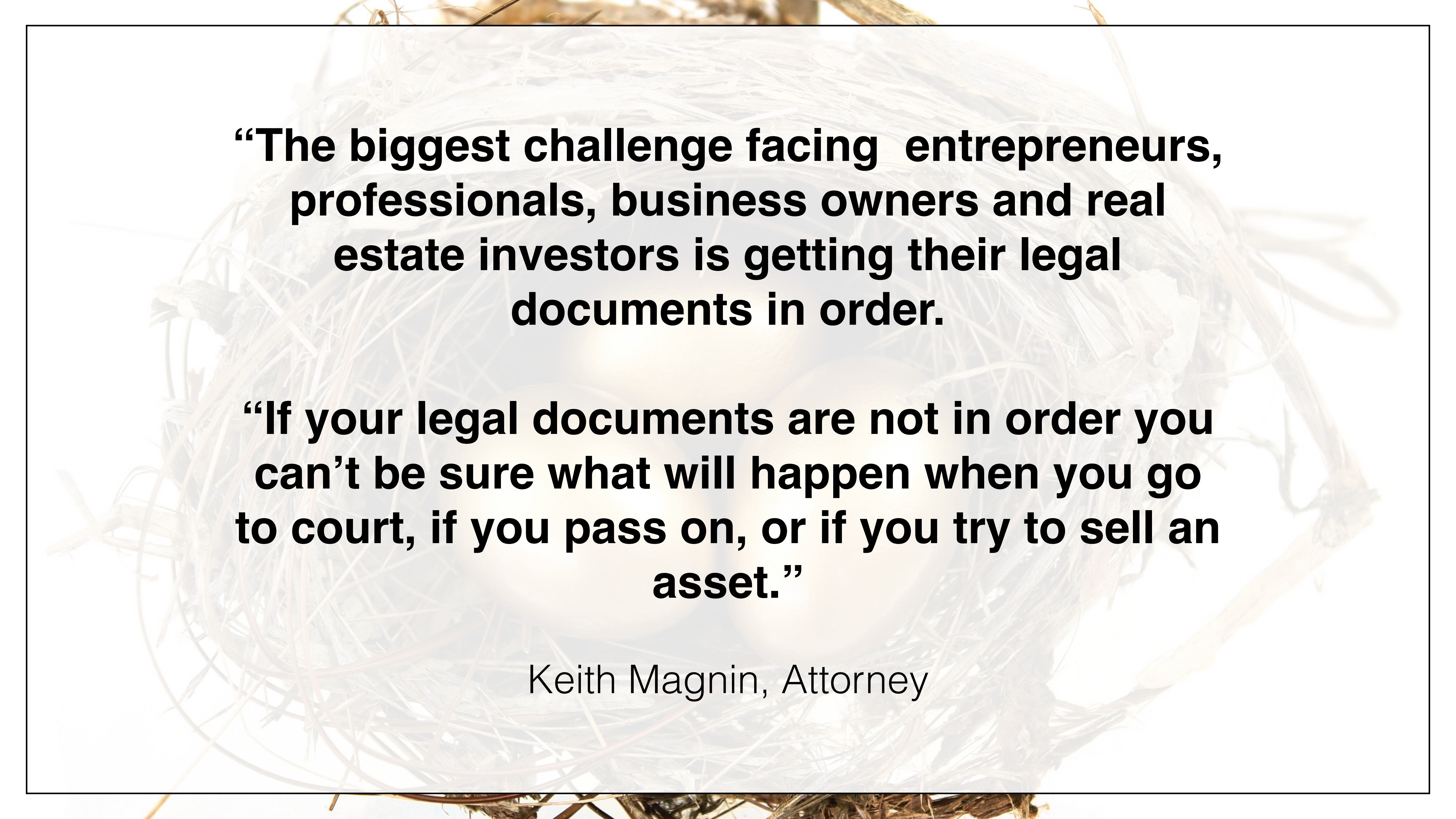


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TRUE LIFE OF A BUSINESS





“The biggest challenge facing entrepreneurs, professionals, business owners and real estate investors is getting their legal documents in order.

“If your legal documents are not in order you can’t be sure what will happen when you go to court, if you pass on, or if you try to sell an asset.”

Keith Magnin, Attorney



Some Business/Personal Legal Entities:

Joint Tenancy
Tenants in Entirety
Sole Proprietorship
C Corporation
S Corporation
LLC
Limited Partnership
Will
Living Trust
Charitable Remainder Trust
Buy/Sell
Power of Attorney

THREATS TO WEALTH

LAWSUITS

PROBATE &
ESTATE TAXES

TAXES



METHODS OF OWNERSHIP

- C OR S CORPORATION
FOR MANAGEMENT AND
TAXATION
- LIMITED PARTNERSHIP/
LLC – OWNERSHIP AND
PROTECTION

CORPORATION STATES

- 4 'Asset Protection' States - Alaska, Nevada, Wyoming, Delaware. 'At risk' assets owned here.
- Resident agent - registers for you.
- 60% of Fortune 500 companies have a Delaware headquarters.
- 90% of US Fortune 100 companies have a Nevada headquarters

LAWSUIT WITH FLP/LLC

- › NEVER A JUDGMENT
- › ALWAYS A CHARGING ORDER

CHARGING ORDER

- NEVER TAKE ASSETS - ALL 50 STATES
- CAN TAKE ALL NET EARNINGS
- PARAGRAPH 2.9:
- “MP RESERVES RIGHT TO WITHHOLD ALL DISTRIBUTIONS OF PROFIT.”
- IRS 77-137

IRS 77-137

CREDITOR NOW

MUST PAY INCOME TAXES




EVEN IF NO INCOME IS

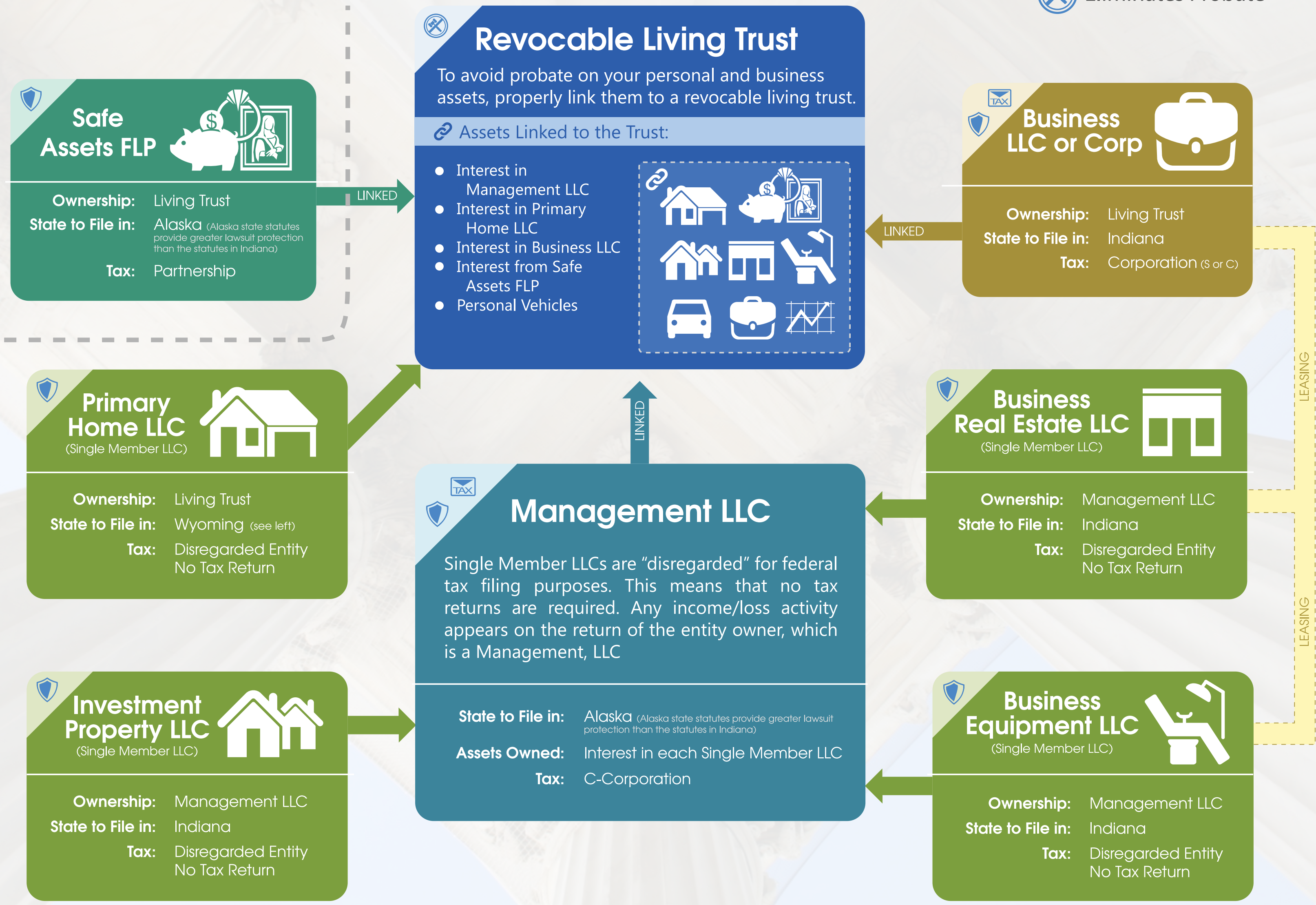
DISTRIBUTED BY THE

PARTNERSHIP/LLC!

*SAMPLE BLUEPRINT

INDIANA RESIDENCE

-  Provides Lawsuit Protection
-  Reduces Taxes
-  Eliminates Probate



Safe Assets FLP

Ownership: Living Trust

State to File in: Alaska (Alaska state statutes provide greater lawsuit protection than the statutes in Indiana)

Tax: Partnership

Revocable Living Trust

To avoid probate on your personal and business assets, properly link them to a revocable living trust.

Assets Linked to the Trust:

- Interest in Management LLC
- Interest in Primary Home LLC
- Interest in Business LLC
- Interest from Safe Assets FLP
- Personal Vehicles

Business LLC or Corp

Ownership: Living Trust

State to File in: Indiana

Tax: Corporation (S or C)

Primary Home LLC
(Single Member LLC)

Ownership: Living Trust

State to File in: Wyoming (see left)

Tax: Disregarded Entity
No Tax Return

Management LLC

Single Member LLCs are "disregarded" for federal tax filing purposes. This means that no tax returns are required. Any income/loss activity appears on the return of the entity owner, which is a Management, LLC

State to File in: Alaska (Alaska state statutes provide greater lawsuit protection than the statutes in Indiana)

Assets Owned: Interest in each Single Member LLC

Tax: C-Corporation

Business Real Estate LLC
(Single Member LLC)

Ownership: Management LLC

State to File in: Indiana

Tax: Disregarded Entity
No Tax Return

Investment Property LLC
(Single Member LLC)

Ownership: Management LLC

State to File in: Indiana

Tax: Disregarded Entity
No Tax Return

Business Equipment LLC
(Single Member LLC)

Ownership: Management LLC

State to File in: Indiana

Tax: Disregarded Entity
No Tax Return