



# Entity Transfers in Cuyahoga County

Jeffrey Calabrese

Suffolk University Law School

# Problem

Tax Year	2018	BOR no.		DTE 1
County	Cuyahoga	Date Received		Rev. 01/19

**Complaint Against the Valuation of Real Property**

Answer all questions or print all information. Read instructions on back before completing form.  
Attach additional pages if necessary.

This form is for full market value complaints only. All other complaints should use DTE Form 2

☒ Original complaint ☐ Counter complaint

Notices will be sent only to those named below.

	Name	Street address, City, State, Zip code	
1. Owner of property	MWH Capital LLC	2086 York Avenue, Cleveland, OH 44113	
2. Complainant if not owner	Board of Education for the Cleveland Municipal School District	1111 Superior Ave., 18th Floor Cleveland, OH 44114-1606	
3. Complainant's agent	Brindra McIntyre & Seid LLP	1111 Superior Avenue, Suite 1025, Cleveland, OH 44114	
4. Telephone number of contact person: (216) 621-5900			
5. Email address of complainant: dseid@bms-law.com			
6. Complainant's relationship to property, if not owner: School Board			
If more than one parcel is included, see "Multiple Parcels" on back.			
7. Parcel numbers from tax bill 007-12-041, 007-12-042		Address of property 2806-2810 York Avenue, Cleveland	
8. Principal use of property: Apartments			
9. The increase or decrease in market value sought. Counter-complaints supporting auditor's value may have -0- in Column C.			
Parcel number	Column A Complainant's Opinion of Value (Full Market Value)	Column B Current Value (Full Market Value)	Column C Change in Value



# Problem Defined

When purchasing commercial property in Cuyahoga County the Board of Education can file a complaint against the value of the property to increase your taxes outside the 3 year re-evaluation process.

*There is currently no automated solution to avoid this.*



# Impact of the Problem

- 1) Lowers the value of real estate
- 2) Discourages investment
- 3) Costly need for specialized lawyers
- 4) Too complex when dealing with non-institutional investors



# Solution

Structure the transaction as an **entity sale** (instead of a real property sale) to avoid a complaint against the value of the property (in addition to the real estate conveyance tax).

There are 3 steps:

- 1) Form a single member LLC for the asset
- 2) Transfer the property into the entity for zero dollars
- 3) Seller to transfer membership interest to buyer at agreed upon price



# Project Work

- 1) Form a single member LLC for the asset
  - a) **Build the operating agreement for the newly created LLC to be filed with the state**
- 2) Transfer the property into the entity for zero dollars
  - a) **Build the quit claim deed for the property to the new entity to be sent to the title company**
- 3) Seller to transfer membership interest to buyer at agreed upon price
  - a) **Build the P/S for the entity interest to be signed by both seller and buyer**



## Design of the System (Doc Automation)

### Property Questionnaire

Seller  
Address  
Parcel Number  
Legal description  
Price  
Buyer

### Setup New Co.

New Co., LLC  
Membership  
Registered Agent  
-- to be filed with State

### Transfer Property to New Co.

Address  
Seller  
New Co., LLC  
Parcel  
Legal Description  
Zero Cost

### Transfer Entity Interest

New Co., LLC - Seller  
Buyer  
Price agreed upon in  
questionnaire



# Sponsor

<https://www.linkedin.com/in/eric-augustyn-0192b553/>





# Repositioning

- 1) Scaled project down to three documents to automate with a Google Form
  - a) Purchase and Sale Agreement for Ohio Real Property
  - b) Mortgage Document for Seller Financing
  - c) Seller Financing Promissory Notes

## Deliverables Checklist\*

Show your work! It is only possible to provide credit for work you document. Absence of evidence **will** be considered evidence of absence. If you feel your collection of deliverables is missing information needed to properly assess your work according to the rubric below, please provide additional information. Note: the best place to do this is most likely in your Project Biography. See below.

- ☒ Five minute intro/pitch with slide deck (described below under *Product*) to be given during the **week 8 session**.
- ☐ Feedback from user testing (e.g., user feedback forms, email impressions, etc.). Note: this feedback is more expansive than the partner letter below.
- ☐ Solution documentation for all user types (described below under *Product*).
- ☐ Your final technical solution, including source code and final executable(s) when applicable (e.g., python code or QnA interview). This should be shared via a GitHub repo.
- ☐ Letter/email from your partner expressing their level of satisfaction with the product and plans for its continued upkeep.
- ☐ Project Biography on Github, formatted either as a Markdown file or as a document served from a GitHub Page (e.g., HTML or PDF). (described below under *Product*) This could easily be your repo's README file. **NOTE: I should be able to find everything I need to grade your project by reading this document be it through links or reference.**
- ☐ Your project title and links to your repo and biography recorded [here](#) (Started)
- ☐ Optional video overview of your project, uploaded to YouTube or the like and suitable for sharing over social media. (described below under *Product*)