Title:
Entity Structuring

Word Count:
455

Summary:
Entity structuring is the use of limited partnerships, limited liabilities, and corporations. These can help you accomplish three things:

Keywords:
tax deductions, tax tips, wealth building

Article Body:
Entity structuring is the use of limited partnerships, limited liabilities, and corporations. These can help you accomplish three things:
1. Bullet-proofing your assets so that the bad guys are worse of if they try and take them away from you.
2. Slashing your taxes so that they are within single digits.
3. Protecting your privacy and building lasting wealth.

Let me explain how this works with the following example:

A case study: My friend Patrick grew up with the family business. His family sold expensive boats. His business grew. He was a financially intelligent man so he wanted to add a stream of income. Therefore, he decided to start a Marina, a land storage facility, a parts shop and a show room. I wanted to make sure he was properly protected and that he had bullet-proofed his assets. However, he was too busy making money to focus on it at that time. This was his fatal flaw. One day, I got that dreaded call from Patrick. The sheriff deputy was there to shut down his businesses: the Marina, the parts shop, the storage facility, and the show room. His business was locked down with pad locks in a matter of hours. Within six months, he lost all of his personal assets and filed both personal and corporate bankruptcy. The tragedy here is beyond his loses but the fact that this situation was completely avoidable. You can prevent this from happening to your business by using two power tools:
1. Limited Partnerships: separate legal entities. They separate your personal assets from business investments.
2. Limited Liability: similar to Limited Partnerships as they form a wall between you and the creditors and predators.

These two power tools include a built-in charging order that does not apply to your typical “S” or “C” corporations. A charging order basically states that the “bad guys” can not go after your assets. They will be able to go after income but not after you employ the following strategy. We can set up a separate management company for you. Then, you can shift your money from your LLC or LP into your separate management company. The last step in your protection is called imputing income, and it finalizes the prevention of lawsuits. The IRS can step in and tax these bad guys for the money they are suing for (even when they are unable to collect this money.) This ensures the fact that suing you will not be worth the effort.

In summary: They can not touch your assets because you have protected them. They can not receive the income because you have shifted it out. They are left with heavy taxes imposed by the IRS. Therefore, the likelihood of you being sued is next to nothing.