

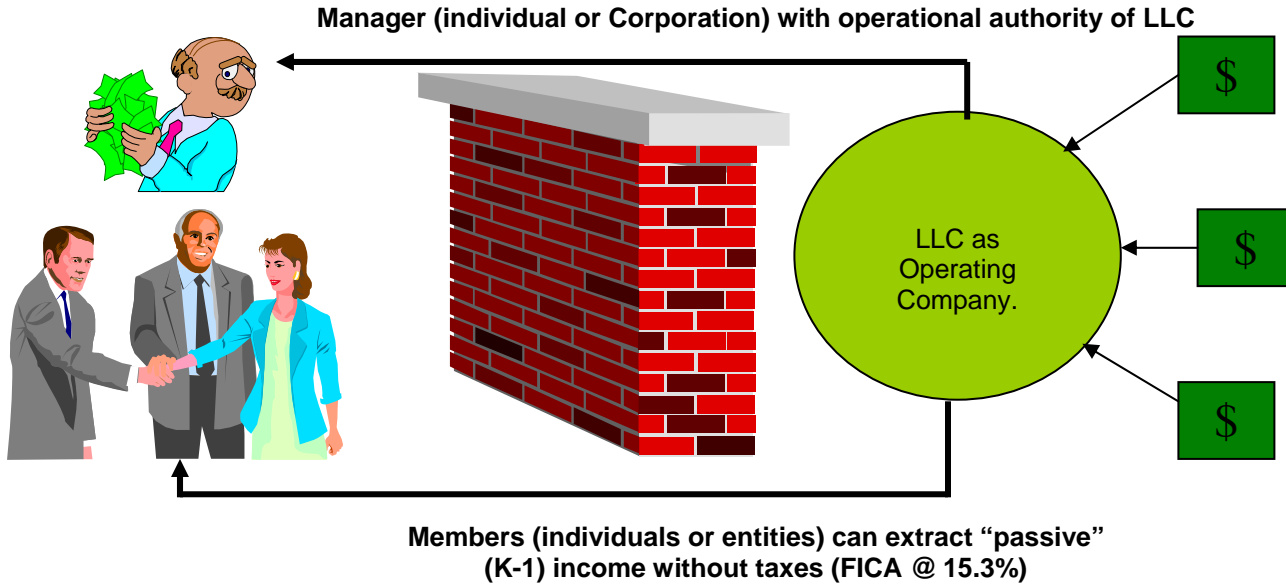
Limited Liability Company

Objectives:

Limit personal liability - Limit tax liabilities - Attract credit & capital - Increase credibility

Action Plan:

Form a Limited Liability Company to function as the "Operating Company."



"This chart is provided as an illustrative tool only. It is not intended as a blueprint for action in your particular circumstances and must not be construed as legal advice."

What is a Limited Liability Company? – (LLC)

- The LLC is a hybrid of a Corporation and a partnership, but possesses distinct advantages over both. LLCs limit their owners from personal liability and at the same time, for Federal income tax purposes, LLCs are entitled to be treated as a partnership.
- The LLC carries with it "pass-through" tax benefits.
- The owners are free to agree among themselves how the company is to be run and this agreement will be upheld in court. No member is personally liable for acts of the company.
- Profits or losses are passed directly through to the members.
- Nevada LLC law allows an LLC to indemnify its members and managers.
- Nevada allows for a single member LLC.
- An LLC avoid the limiting restrictions of an S-Corporation and protects its members from debts of the company.
- Members can participate in the management without losing their limited liability status.
- In Manager Managed LLCs, the "passive" members take their K-1 income free of FICA (15.3% self-employment).
- Members and/or managers of an LLC can be individuals, corporations, trusts, FLPs, etc.

Benefits of operating your business through an LLC

- Members are **not personally liable** in the business matters of the LLC.
- LLC has business liability limited to its initial capitalization.
- LLC is treated as a "pass-through" entity for federal tax purposes thus avoiding double taxation.
- Passive members avert FICA tax (15.3%)
- Further asset protection, estate planning and tax strategies can be implemented via the use of an entity (Corporation, FLP, etc.) as the manager.

How do I get Started?

Contact me to start limiting your liability and enjoy the benefits offered.

"Turning your business dreams into reality"