Farr Law Firm Newsletter
Big City Solutions. Small Town Values.

March 2015 | Issue 2

Planning Tips for 2015

Are you following the best practices in your business and personal planning?

1. **Protect your retirement plan.**
   Many clients' largest savings account is a pension plan accumulated over a lifetime of work. These plans are exempt from creditors during your life as long as you are a Florida resident. That protection may lapse if you move to another state. In addition, under a recent US Supreme Court ruling, the plan may not be protected when inherited by children who live outside of the State of Florida. An IRA Trust can ensure that your wishes are followed after your death and protect the IRA from your children's creditors and potentially from divorce and other adverse outcomes.

2. **Avoid Single-member LLCs.**
   A single-member LLC where one individual (or potentially husband and wife) owns 100% of the company now provides no protection from creditors of the member. It is critical to diversify LLC ownership or implement other effective planning strategies before claims arise.

3. **Document your business agreements.**
   Many businesses involve multiple partners or shareholders without a partnership or shareholders' agreement. This can create significant uncertainty when one partner separates from the business, retires, or passes away, or when other events arise. It is important to plan ahead with proper organizational documents.

4. **Don't hold business real estate inside of your primary business entity;**
   if you own your business real estate and hold it inside of your primary operating entity, the real estate is exposed to all risks generated by the business (e.g. contract, tort and professional

David A. Holmes

TEL 941.639.1158
EMAIL dholmes@farr.com

David's practice focuses on asset protection, corporate and business law, civil litigation with an emphasis in contract, commercial and construction disputes, and real estate.

Our Practice Areas

- Asset Protection
- Business & Corporate
- Elder Law
- Guardianship
- Litigation
- Marital & Family
- Mediation
- Personal Injury & Wrongful Death
- Physician Services
- Real Estate & Title Insurance
- Trusts & Estates

liability claims) and the business is exposed to the risks generated by the real estate (e.g. slip and fall and other premises liability). Consider diversifying and holding business real estate in a separate entity so that all assets are not exposed to the same claims.

5. **Protect yourself from business liabilities.**
   Whenever possible, just say no to personal guarantees. Routine business contracts can include hidden personal guarantees even when they aren't signed personally. Make certain all significant contracts and agreements are reviewed before signing. This simple step can avoid significant problems in the future.

6. **Consider diversifying.**
   Holding business assets and different business lines in separate business entities can add protection and diversify risk.

7. **Don't acquire non-homestead real estate in your personal name.**
   All real estate involves risk. Non-homestead property should be held in a properly structured business entity. Consider transferring real estate in your individual name to a newly organized entity.

Farr Law Firm since 1924

Since 1924, the Farr Law Firm has held to our history and tradition of dedication to our community while working with clients to resolve disputes, solve complex problems, realize new opportunities, preserve and protect wealth and maximize growth in changing environments.

Farr Law Firm has been recognized as one of "Florida's Top Ranked Law Firms" for 2015 by LexisNexis® Martindale-Hubbell®. We may be able to help you or your business. Call our office at 941.639.1158, or visit us on the web at www.farr.com.

Follow us:

Farr.com
To subscribe to our newsletters, please visit our website.