

Another Nevada Entity Debacle

I've only said it a million times: When someone out of Nevada or Utah offers asset protection services RUN AWAY! If the name of the outfit offering the services ends in "Headquarters" or "Group" then run even faster.

What is my issue with those people? They sell massive fear from the stage to persuade customers to set up grossly over-complicated (and not coincidentally very expensive) structures that are often counter-productive in practice.

How do I know? Because I am often the guy who gets paid to clean up the mess.

At one of my recent SDIRA workshops one investor took the time to walk through a structure that he paid circa \$12,000 to get set up. It involved 3 LLC's and a Solo 401k. What were the problems with the structure?

1. The REI had not done any deals. The structure was grossly in excess of what needed given his plans.
2. The "advisor" did not listen to what the REI intended to do. The "advisor" also made certain assumptions that were simply incorrect, such as "since we sold this guy a program through a house-flipping guru, he is going to flip houses". Well, no. Actually, he was looking to buy & hold and took the flipping course to learn how to buy rental houses at bargain prices.
3. Because the REI was generated income from "passive" sources, his income did not qualify to generate contributions to the Solo 401k that they over-charged him to create. In other words, the REI did not have "earned income" and was not even aware that he needed "earned income" to contribute to the 401k.
4. Even if the 401k had been useful to the REI, the LLC that the "advisor" created to be 100% owned by the 401k was not needed. Had the "advisor" bothered to ask the REI what he intended to invest the 401k funds in, he'd have been aware of that important issue. But such awareness may also have interfered with the "advisor's" real goal – to squeeze as much money as possible out of the mark.
5. The C-Corporation created by the "advisor" cost the REI more than it saved him. Again, the "advisor" did not ask questions or determine whether the C-Corporation's benefits applied in the REI individual circumstances. I have seen this particular issue over & over. C-Corporations only make sense in very specific circumstances.
6. The "customized" structure looked an awful lot like (by an "awful lot like" I mean "identical to") other "customized" structures I have seen sold to others by the same vendor.
7. \$12,000 was well over double to triple what it would have cost with any number of reputable attorneys (myself included) set it up & properly advise on the REI's structure.

I could go, but you get the idea. The NV/UT hucksters do not bother to ask questions or to truly customize their tax & asset protection “planning” to match your unique & highly personal circumstances. Rather, they look to justify as high a fee as they possibly can based on little information and very dubious “benefits”.

To learn which entity structure is best for **you** and to avoid the NV/UT rip-off machine, please consider attending my **Entities & Taxes Workshop Saturday & Sunday July 15th & 16th in Sarasota, FL**. The fee is a mere \$499 (less than 1.5 hours of my time on the clock).

Topics to be covered:

- Best Way to write off vehicles, vacations, meals, golf, shooting and other entertainment
- Which meals can be written off 100% instead of the usual 50%
- How to meet five hours in Mexico and write off the plane ticket for the entire week-long trip
- How to get the special “manufacturers tax deduction” for builders and rehabbers
- What is a “real estate professional”, should you be one, how to qualify
- “Dealer” Status – how it is different from being a “real estate professional”, what it means and what to do about it
- How to maximize depreciation deductions on your rentals – are you depreciating the driveway, shrubbery, and patio?
- How to get nice furniture in your personal home – tax-free
- Which entity is best for flipping/rehabbing/renting/lending/lease options?
- Will a “satellite C-Corporation” allow you to engage in tax bracket arbitrage?
- Entity structuring for asset protection
- Should entities be set up in Nevada, Wyoming or Delaware?
- How many entities should we have?
- What role should land trusts play?
- What causes liability? How do you avoid it?
- Using a vacation house for tax reduction
- Taxation of Airbnb rentals.
- Writing off things you love to do/How the IRS treats hobbies
- 1031 Like-Kind/Tax-Deferred Exchanges, some creative twists
- Installment Sales of real property
- And lots of Q&A on all non-retirement tax topics
 - We cover Self-Directed IRA’s and similar accounts in a separate workshop

Fee

\$499 per person. Note: I charge \$350 per hour. \$499 would normally equal less than 1 & ½ hours of my time. The seminar should involve about 14 hours of speaking time, with lots of opportunity for Q&A. It is an *excellent* value.

Location

Holiday Inn Express & Suites Sarasota East I-75
5730 Gantt Road
Sarasota FL 34233
(No room blocks, book wherever you’d like on your own)

To Order:

Email johnhyre@realestatetaxlaw.com or fax (614) 750-3001. Information I will need:

- Name of attendees
- Email, address & phone number of attendees
- I will then bill you via Pay Pal so you can pay via credit card
- You can also mail a check to Real Estate Tax Law, LLC, 666 High Street, Suite 200A, Worthington, OH 43085
- Refundable through day before the event, with a \$50 processing fee kept by us, no refunds during or after the event.