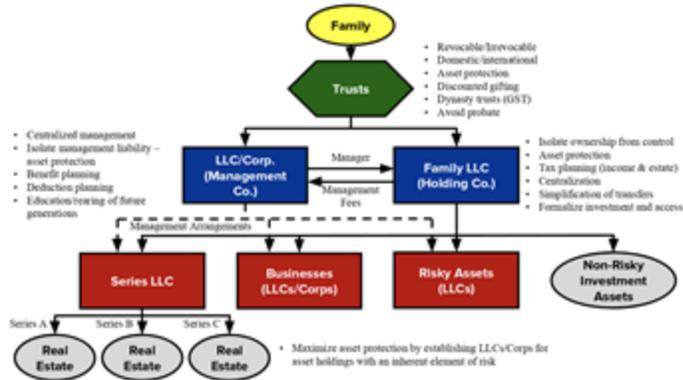


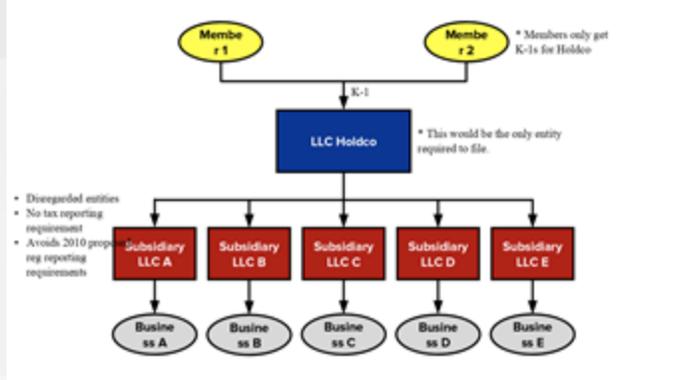
Asset Protection + Tax Efficient Business Structures

Just a few of the structures we are using..

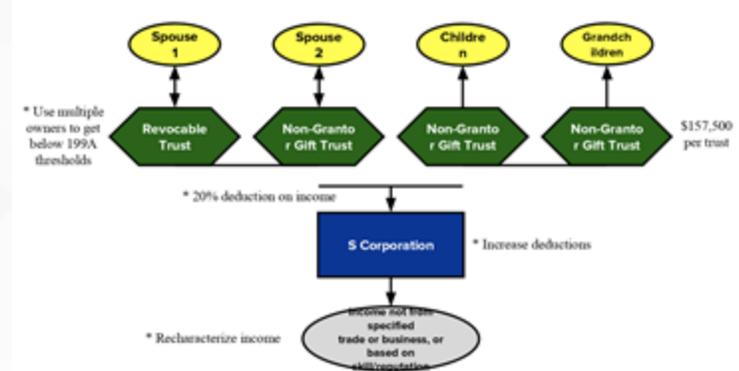
Sample Comprehensive Family Office Structure



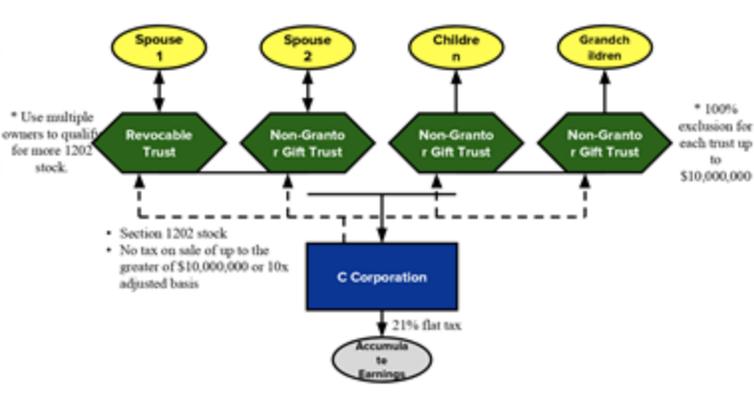
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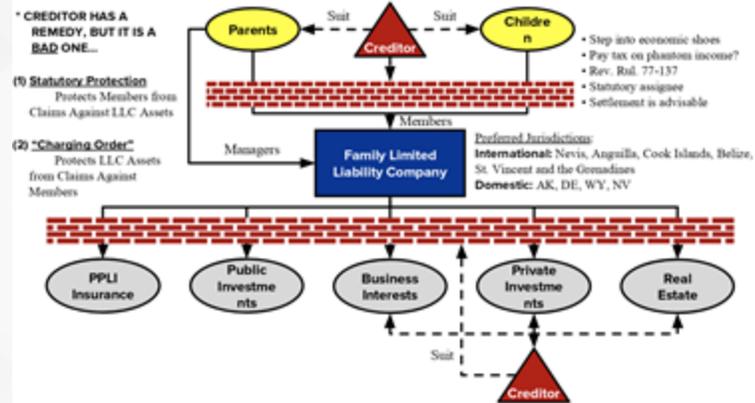
S Corporation Planning Schematic



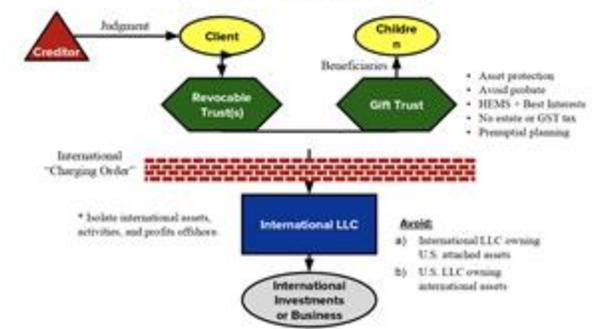
C Corporation Planning Schematic



Asset Protection with LLCs



LLC Planning Structure – “The Wholly International LLC”



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What is your diagram?

Do you have one?

Does it work for you?



In business, **entities** are the different **legal structures** used to form and operate a business.

For us, entities are the **structures or TOOLS** we use to protect, manage, and grow both **businesses and investments**, whether you're a family starting a small business, an individual launching a venture, or a group of investors managing assets.

They allow for flexibility, branding, and control, helping ensure that assets and operations are run in the most efficient and protected way possible.

Each entity type has its own rules for taxation, liability protection, and ownership, which impact how it runs and is viewed by the government.

Why are entities important

THEY ESTABLISH

- How we get taxed
- How we get protection
- How we access cash built in these entities
- How we exit from them (death, gift, inheritance, sale, dissolution).

DBAs (Doing Business As)

DBAs are typically owned by individuals, LLCs, or corporations looking to operate under a different business name. The DBA does not change the ownership of the underlying entity.

Entity Type	Who Can Be the Owner?
Sole Proprietorship with DBA	Individual
Single-Member LLC with DBA	Individual, LLC, Corporation
Multi-Member LLC with DBA	Individuals, LLCs, Corporations
Corporation with DBA	Individuals, LLCs, Corporations

Business Entity Comparison Chart



Compare the advantages and disadvantages of each business entity structure alongside the considerations of your tax savings.

	Schedule C	S Corporation	C Corporation	General Partnership
Taxation	Taxed once. Owner is responsible for any taxes due	Taxed once. Owners responsible for any taxes due	Double; both the corporation and the shareholders are taxed	Taxed once. Partners are responsible for any taxes due
Ability to raise capital	Not as separate entity	Yes, but shareholder limits	Yes	Yes
Length of Existence	Until withdrawal or death of owner	Unlimited	Unlimited	Unlimited
Operational Requirements	Relatively few legal requirements	Board of Directors, officers, annual meetings, and annual reporting required	Board of Directors, officers, annual meetings, and annual reporting required	Relatively few legal requirements
Management	Sole Proprietor has full control of management and operations	Managed by directors, who are elected by the shareholders	Managed by directors, who are elected by the shareholders	Typically, each partner has an equal voice, unless otherwise arranged
Business Formation	No filing required	State filing required	State filing required	No filing required
Liability	Unlimited liability	Shareholders are typically not personally liable for the debts of the corporation	Shareholders are typically not personally liable for the debts of the corporation	Unlimited liability. A partner can be held liable for the acts of the other partners, increasing personal liability
Limitations on number of owners	Yes	Yes	No	No
Interest Transferability	No unless business is sold to another party	Yes. Some IRS regulations on stock ownership	Shares of stock are easily transferred	No
Limited Personal Liability	No	Yes	Yes	No
Transferability of interest	No	Generally Limited	Yes	No
Dissolution	Easiest	Most complex	Most complex	Easiest
Best suited for	Single owner business. Taxes or product liability not a concern	Single or multiple business owners. Owners need company funded fringe benefits and liability protection	Single or multiple business owners. Owners need company funded fringe benefits and liability protection	Business with partners. Taxes or product liability not a concern

Business Entities | Tax Return Treatment

Entity Types / Tax Treatment	Schedule C	Partnership	S Corporation	C Corporation
Sole Proprietorship	✓	✗	✗	✗
Single-Member LLC*	✓ (default)	✗	✓ (default)	✓ (default)
Multi-Member LLC	✗	✓ (default)	✓ (default)	✓ (default)
General Partnership	✗	✓	✗	✗
Limited Partnership (LP)	✗	✓	✗	✗
S Corporation	✗	✗	✓ (default)	✗
C Corporation	✗	✗	✗	✓ (default)

*TRUE only if the member of the LLC is an individual. When the owner of the Single-Member LLC is a different entity, this might not be true.

Business Entities with DBAs | Tax Return Treatment

Entity Type with DBA	Schedule C	Partnership	S Corporation	C Corporation
Sole Proprietorship with DBA	✓ (default)	✗	✗	✗
Single-Member LLC with DBA	✓ (default)	✗	✓ (default)	✓ (default)
Multi-Member LLC with DBA	✗	✓ (default)	✓ (default)	✓ (default)
Corporation with DBA	✗	✗	✓ (default)	✓ (default)

- Key Notes:
- A DBA is simply a name used for branding purposes and does not affect how a business is taxed. The underlying legal entity (sole proprietorship, LLC, or corporation) determines the tax treatment.
 - For example, if a single-member LLC files a DBA, it's still taxed based on how the LLC is structured or what elections it makes, not the DBA itself.
 - Corporations using a DBA are still subject to C Corporation or S Corporation tax rules based on their election.

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Single Member LLC (SMLLC) | Tax Return Treatment

Owner of Single-Member LLC	Schedule C	Partnership	S Corporation	C Corporation
Individual Owner	✓ (default)	✗	✓ (if elected)	✓ (if elected)
LLC (taxed as Partnership)	✗	✓ (default)	✓ (if elected)	✓ (if elected)
LLC (taxed as S Corporation)	✗	✗	✓ (default)	✗
LLC (taxed as C Corporation)	✗	✗	✗	✓ (default)
Corporation (S Corp)	✗	✗	✓ (default)	✗
Corporation (C Corp)	✗	✗	✗	✓ (default)

Key Notes:

- Default tax treatment for a Single-Member LLC owned by an individual is Schedule C (disregarded entity).
- If the owner is an LLC or a corporation, the tax treatment depends on the owner's structure and election (either partnership, S Corp, or C Corp).
- SMLLCs owned by other entities follow the tax treatment of the parent entity.

Entities | Who can own each entity type

Entity Type of Owner	Can Own DBA?	Can Own Single-Member LLC?	Can Own Multi-Member LLC?	Can Own C Corporation?	Can Own S Corporation?
Individual (U.S. Citizen/Resident)	✓ Yes	✓ Yes	✓ Yes	✓ Yes	✓ Yes
Sole Proprietorship	✓ Yes	✗ No	✗ No	✗ No	✗ No
Single-Member LLC	✓ Yes	✓ Yes	✓ Yes	✓ Yes	✗ No
Multi-Member LLC	✓ Yes	✓ Yes	✓ Yes	✓ Yes	✗ No
Corporation (C Corp)	✓ Yes	✓ Yes	✓ Yes	✓ Yes	✗ No
Corporation (S Corp)	✓ Yes	✗ No	✗ No	✗ No	✓ Yes (U.S. only)
Partnership	✓ Yes	✓ Yes	✓ Yes	✓ Yes	✗ No
Trust (Certain Trusts for S Corp)	✓ Yes	✓ Yes	✓ Yes	✓ Yes	✓ Yes (Certain Trusts)
Foreign Entity	✓ Yes	✓ Yes	✓ Yes	✓ Yes	✗ No

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Which entities need an Employer Identification Number (EIN):

Entity Type	EIN Required?	When is an EIN Needed?
Sole Proprietor (No DBA)	✗ Not required	Only if hiring employees or filing excise taxes.
Sole Proprietor with DBA	✗ Not required	Same as above: EIN needed if hiring employees or paying excise tax.
Single-Member LLC	✓ Required in some cases	Only if electing to be taxed as an S-Corp or C-Corp, or hiring employees.
Multi-Member LLC	✓ Yes	Required for tax purposes and reporting profits/losses.
Partnership	✓ Yes	Always needed for filing tax returns and reports.
Corporation (C Corp)	✓ Yes	Required for tax filings and payroll management.
Corporation (S Corp)	✓ Yes	Needed for tax reporting and employee payroll.
Nonprofit Corporation	✓ Yes	EIN required for tax-exempt status and payroll.
Trusts (with taxable income)	✓ Yes	Required if the trust generates income or hires employees.
Estate (with taxable income)	✓ Yes	Needed if the estate has employees or taxable income.

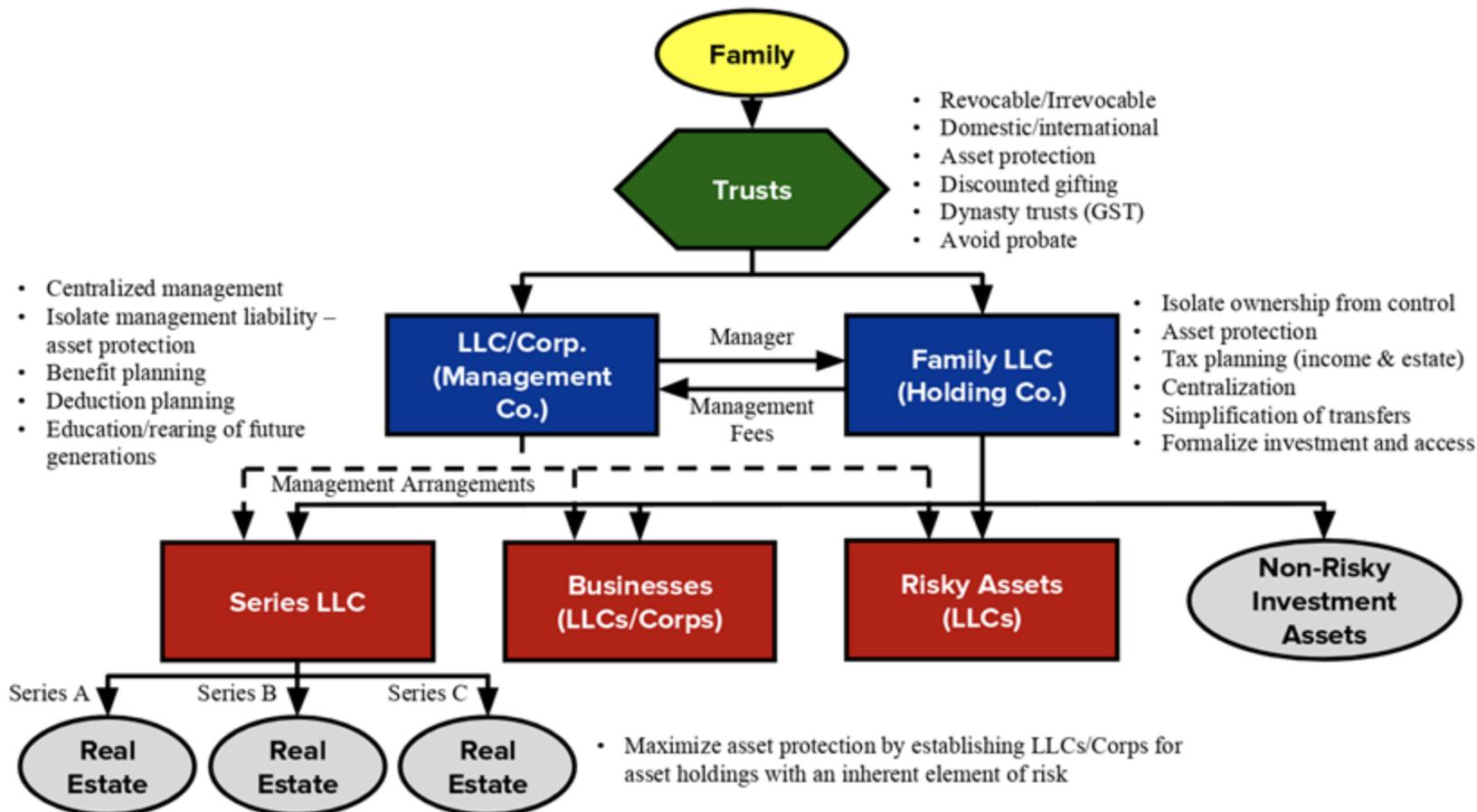
When an EIN is Required

THEY ESTABLISH

- **Hiring employees:** Any entity hiring employees must have an EIN for payroll tax purposes.
- **Operating as an LLC or Corporation:** LLCs (especially multi-member) and corporations need an EIN for tax filings.
- **Banking and Business Accounts:** Most banks require an EIN to open a business account, even for DBAs.
- **Filing excise taxes:** Entities subject to excise taxes must have an EIN.
- **Electing to be taxed as an S Corp/C Corp:** Single-member LLCs and other entities electing to change their tax status will need an EIN.

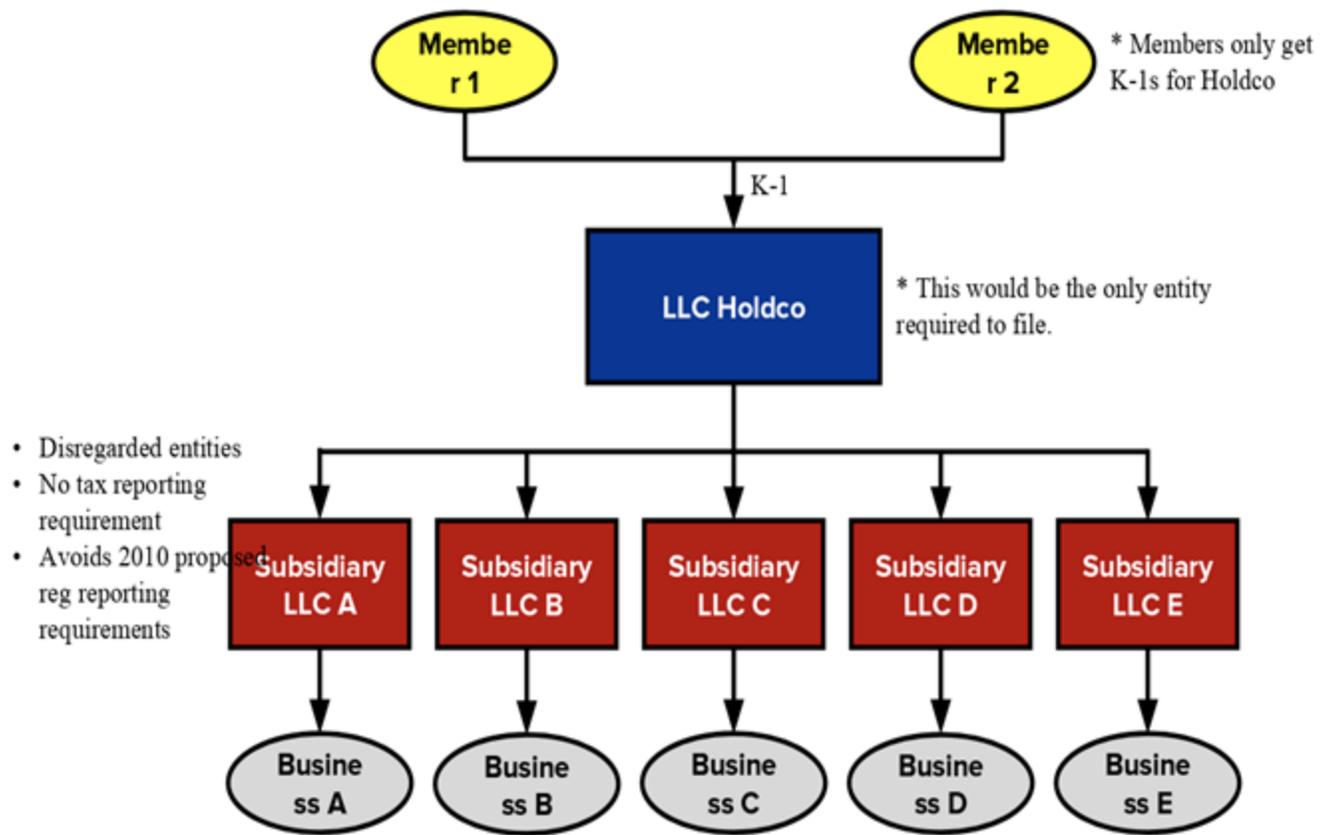
Just a few of the structures we are using..

Sample Comprehensive Family Office Structure



Just a few of the structures we are using..

Series LLCs/SMLLC Alternative

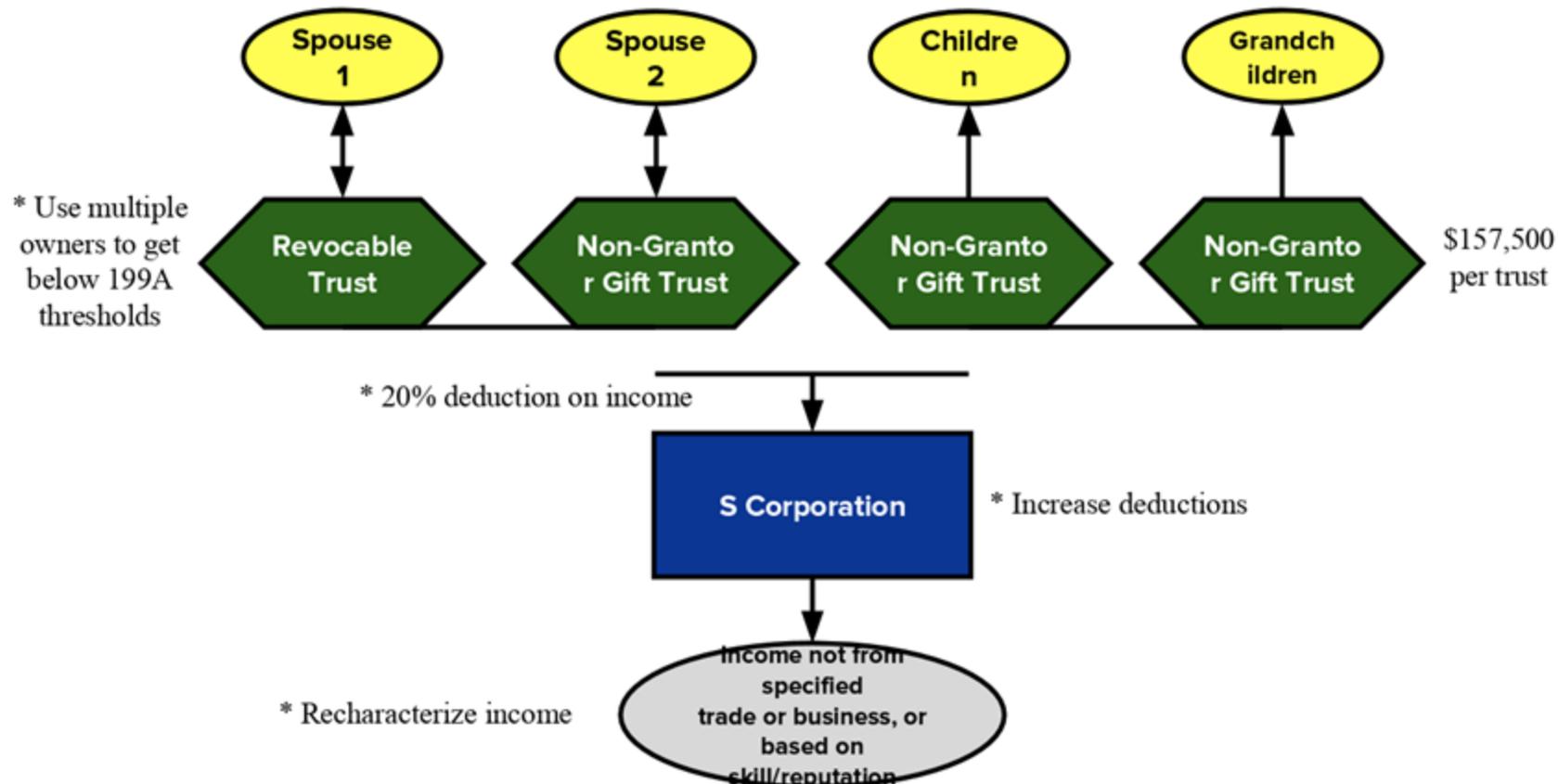


- Disregarded entities
- No tax reporting requirement
- Avoids 2010 proposed reg reporting requirements

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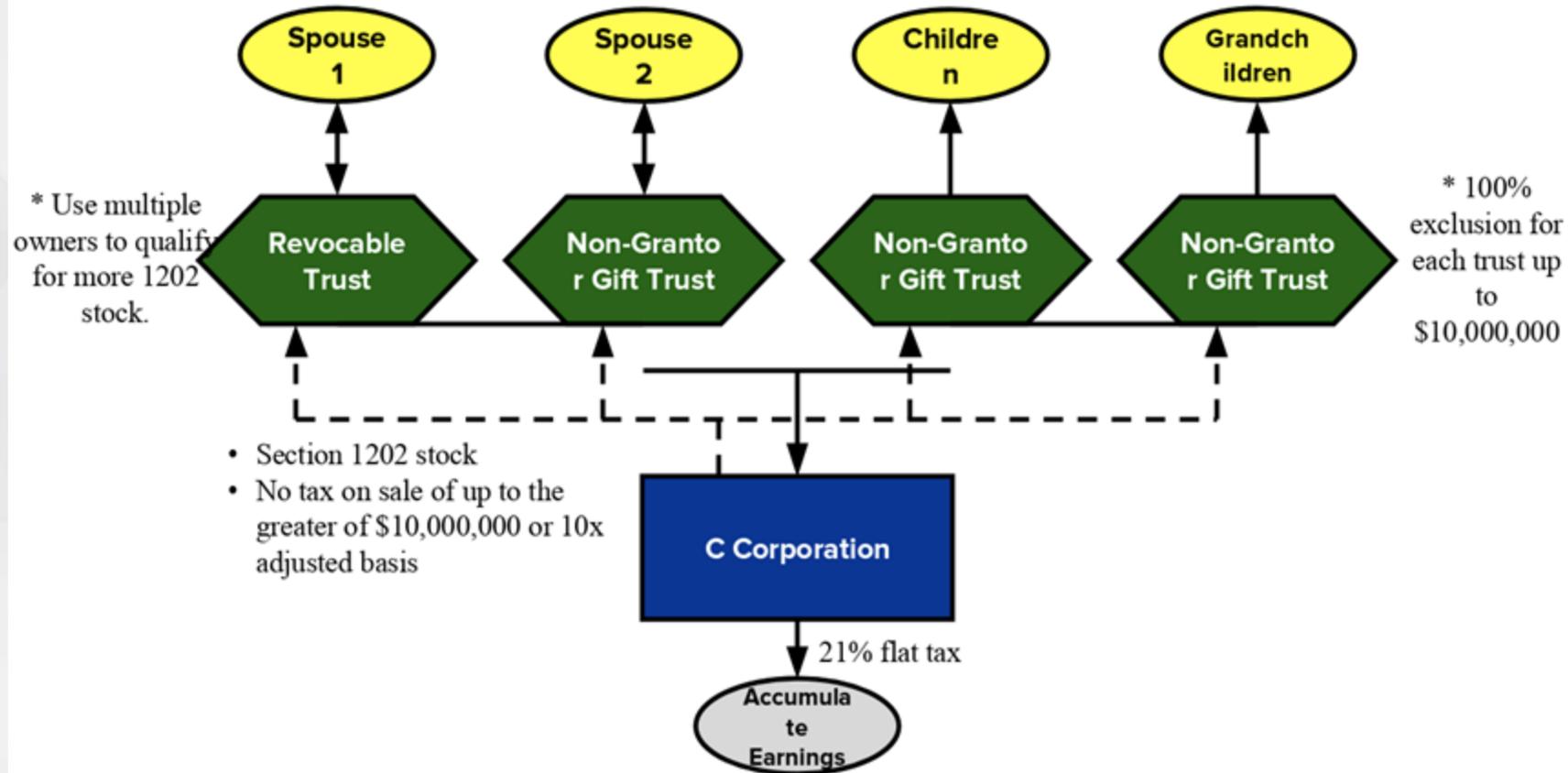
Just a few of the structures we are using..

S Corporation Planning Schematic



Just a few of the structures we are using..

C Corporation Planning Schematic



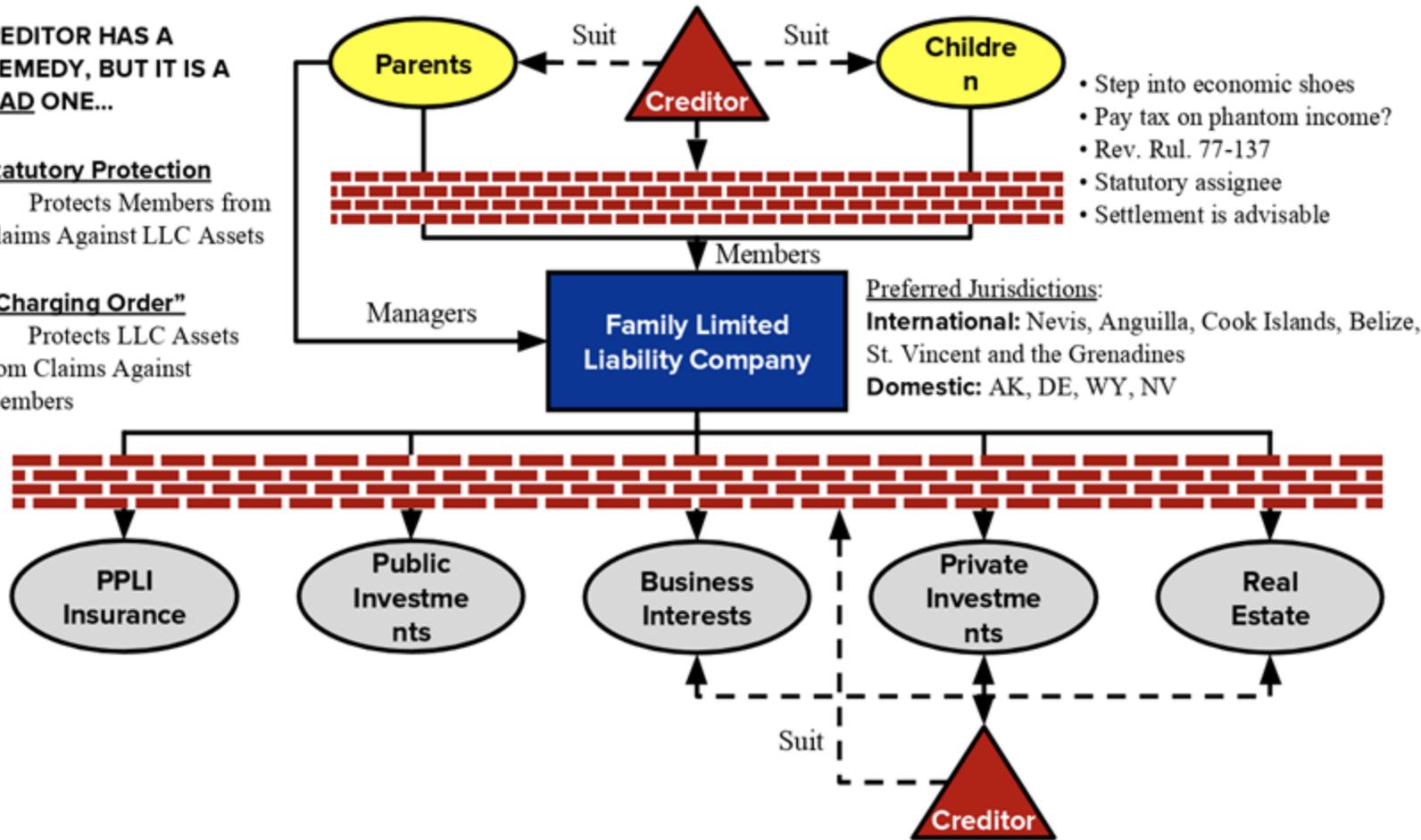
Just a few of the structures we are using..

Asset Protection with LLCs

* CREDITOR HAS A REMEDY, BUT IT IS A **BAD ONE...**

(1) **Statutory Protection**
Protects Members from Claims Against LLC Assets

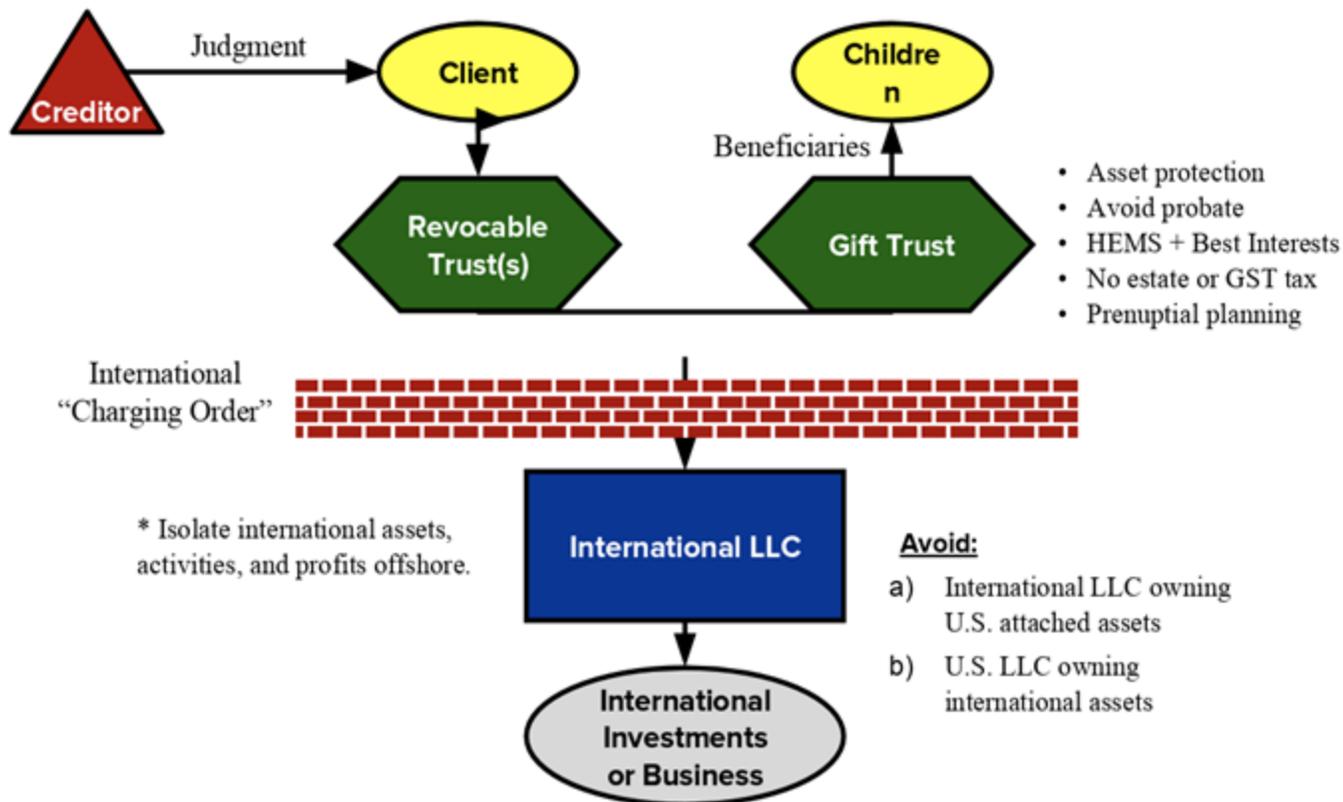
(2) **"Charging Order"**
Protects LLC Assets from Claims Against Members



- Step into economic shoes
- Pay tax on phantom income?
- Rev. Rul. 77-137
- Statutory assignee
- Settlement is advisable

Just a few of the structures we are using..

LLC Planning Structure – “The Wholly International LLC”



What is your diagram?

Do you have one?

Does it work for you?

