



ASSET PROTECTION THE RICH DAD® WAY

Rely on Your Team for Best Results



Would you rather do it yourself when it comes to protecting you and your family's assets and future? Or would you rather have a team member aligned with the Rich Dad way to assist with these very important matters?

Asset protection is not quick and easy. But neither should it be difficult and expensive. The key is to structure and maintain your asset protection in a manner that is both professional and affordable.

For that, as Robert Kiyosaki advocates, you need someone on your team.

My name is Garrett Sutton. I am an attorney and the Rich Dad Advisor for asset protection and corporate strategies. I have written seven books in the Rich Dad Advisor series, including "Start Your Own Corporation," "Loopholes of Real Estate" and my newest "Scam Proof Your Assets".

I am a team member for many Rich Dad readers just like you. Our firm, Corporate Direct, assists real estate investors and entrepreneurs to professionally and affordably protect their future. Our team has efficiently set up corporations, limited liability companies (LLCs) and limited partnerships (LPs) for thousands of Rich Dad action takers.



FOUR KEYS TO EFFECTIVE PROTECTION:

1. A Complete Formation
2. Maintain Your Entity
3. Proper Registered Agent
4. Professional and Affordable

#1 - A COMPLETE FORMATION

When you form a corporation or LLC you have to do a complete job. You have to have all the proper documents in order, including minutes of meetings and properly issued stock certificates, or else you are putting yourself at risk. As an example, if the IRS comes calling on an audit and the stock certificates haven't been issued, you have two strikes against you.

Many of the cut rate providers (the \$99 specials) will file the articles with the state and that is it. They aren't professionals and they won't tell you that you are only 20% finished at that point. And by not completing the remaining 80% of the job you open yourself up to unlimited personal liability. Please know that if your existing entity was not properly formed and is missing certain documents, we may be able to clean up and bring you into compliance.

But if your corporation, LLC or LP is not in compliance, a good attorney coming after you can easily note that the bylaws for a corporation or the Operating Agreement for an LLC were never prepared. They can argue that you didn't even follow the most basic of corporate formalities. And like a hot knife through butter they will cut right into all of your personal assets.

Don't be lured by an artificially low price. Allow a team member with your best interest at heart guide you through this important process. Your corporation, LLC and/or LP (collectively "entities") must be set up right at the start. Secure complete formation with a proven provider.

#2 - MAINTAINING YOUR ENTITY

A complete formation will protect you at the start. To stay protected over the long run you must properly maintain your entity. You have to follow the corporate formalities on an annual basis. These yearly requirements are not hard to follow, and we will help you with them. But if you fail to follow them the consequences are dramatic and painful.

By not following the corporate formalities you open yourself up to unlimited personal liability if your corporation or LLC gets sued. If you haven't met all the corporate formalities, you can be held personally responsible for the claim against the business. That defeats the whole purpose of setting up your entity! An entity exists largely to protect you from losing your personal possessions if your business or real estate holding is sued. If you set up and maintain the corporate formalities, there is a corporate veil that protects you. The chart below illustrates what happens without the protection in place.



PIERCING THE CORPORATE VEIL SUCCEEDS IN HALF OF ALL CASES

Clearly too many people, perhaps unknowingly, are not following the corporate formalities. Corporate Direct's goal is to never let this happen to you. Of course, we can only do so much. If you fail to prepare annual minutes (which we'll do for you) or don't pay the annual fee to the state, that is on you. Your corporate veil is going to be pierced due to your own negligence. But if you want initial and ongoing protection, we will certainly help you. We are on your team and want the best

#3 - A PROPER REGISTERED AGENT

One of the key corporate formalities you must follow is to have a registered agent.

This person or company (also known as a resident agent) represents you in the state that you organized in and any state you qualify in.

So, for example, suppose you set up a Nevada corporation and want to do business in California.

You 'qualify' the Nevada company to do business in California (we can further explain this simple process to you over the phone). As such, even though you only have one corporation, you will need a registered agent in both Nevada, the state of organization, and California, the state where you are conducting operations.

The purpose of the registered agent is to accept any service of process (i.e. lawsuits) and governmental notices on your company's behalf. If you don't receive these notices bad things can happen. In a lawsuit scenario you can lose the case via a default judgment for failing to answer the complaint.

So it is very important that you have a reputable registered agent who appreciates the importance of quickly getting documents right to you. In most states you only have 30 days (in Nevada it is only 20!) to answer the lawsuit. You need immediate notice because you have to get to work on defending yourself.



With a discount provider on your team they may not even offer a registered agent service. You may never know you need it.

If your entity gets sued and there is no registered agent to serve with the lawsuit you've not only lost the case but you've opened yourself up to a piercing the veil claim.

Because many of these discount providers may not be around in several years (or months) there can be a gap in registered agent services. When they go out of business without telling you, this breakdown can again lead to your personal liability. You are much better off dealing with an engaged team member like Corporate Direct (with over 30 years' of experience) that will maintain your corporate veil and immediately contact you if there is a pressing issue like a lawsuit.

We provide registered agent services in all 50 states. We will not hound you with unneeded services or solicitations. Some providers misrepresent the law by saying that a registered agent must provide you with a full office set up for \$3000 a year. (There is no such law!) We will provide you with a prompt notice of any matter. Registered agent services should be a steady and affordable transaction. With the professionals at Corporate Direct on your team it will be.

#4 - AFFORDABLE AND PROFESSIONAL

Corporations, LLCs and LPs are governed by state laws. Our legal system is very dynamic. Laws change and attorneys must keep up with them.

Why would you have a key legal member on your team who is not a lawyer?

That is what you are doing when you use an online service that is neither run by attorneys nor grounded in the law. They have no fiduciary duty to you, no continuing obligation to get it right.

The funny thing is, Corporate Direct is as affordable or more affordable than the services run by non-lawyers.

Our complete set up package includes telephone support, corporate formalities and the first year of registered agent services at just \$695

***Plus state filing fees which vary by state.



PROTECT YOUR ASSETS
THE RICH DAD. WAY
with Corporate Direct
on your team.

Contact us today for your FREE consultation with an Incorporating Specialist!

Mention this “Four Keys” article to receive a \$100 discount on your formation and a free book written by Garrett Sutton.

That's just \$595 (plus state fees) for a complete set up package - includes your free consultation, telephone support, operating agreement/bylaws, first meeting minutes and stock certificates.

800-600-1760

CorporateDirect.com