



The Law Firm of
**KAVESH,
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OTIS, INC.**

Estate Planning Specialists
for your peace of mind®

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Why Use a Nevada Limited Liability Company?

Why do so many people establish their limited liability companies (“LLC” or “LLCs”) under Nevada law? Often they do so because of Nevada’s superior creditor protection laws.

Under Nevada law, the exclusive remedy of a judgment creditor against a member of a Nevada LLC is a charging order. A “charging order” is a lien on the LLC interest that gives the judgment creditor nothing more than the right to a distribution if one is made. The judgment creditor cannot force a sale of the LLC assets, cannot participate in LLC investment decisions and cannot force a distribution from the LLC. Therefore, the creditor may receive nothing from the LLC and thus has an incentive to settle the lawsuit even if for an insignificant amount, rather than being put in a position to receive nothing.

Most other states, including California, for example, do not limit the statutory remedy to a charging order. Thus, a judgment creditor can potentially obtain remedies that far exceed a charging order if a California LLC, or similar state’s LLC, is formed.

What Are Some Assets You May Want to Transfer to an LLC?

The members (or owners) of an LLC are not personally liable for liabilities of the LLC. Essentially, any asset that can cause liability can be transferred to an LLC to limit the liability. Rental real estate is an ideal asset to own in an LLC given the potential liability issues. In fact, you may want to place rental properties with significant equity into separate LLCs in order to protect each property from the liabilities of properties held in other LLCs.

How Can We Help?

Our law firm utilizes the assistance of an “of counsel” attorney, Steven J. Oshins, who specializes in this area of estate planning. Mr. Oshins is a nationally recognized estate planning and asset protection attorney from Las Vegas, Nevada. Mr. Oshins was the author of Nevada’s charging order law which made Nevada a leading jurisdiction for the formation of limited liability companies. He is also well-versed in the income tax and California property tax issues which must be properly considered when establishing and running LLCs.

If you would like us to assist you in scheduling a free consultation with Mr. Oshins, please contact us at 1-800-756-5596.

This is intended only as a brief summary of the many special features and benefits of the KM&O Trust plan. It does not itself constitute legal advice, nor does it create an attorney-client relationship. You should seek qualified legal counsel before implementing any estate planning strategies.