

LITTLEJOHN LAW, LLC

“BUILD IT, PROTECT IT, AND PRESERVE IT”

A MONTHLY NEWSLETTER FOR AWESOME CLIENTS LIKE YOU!

March 2018 Volume 3 Issue 10

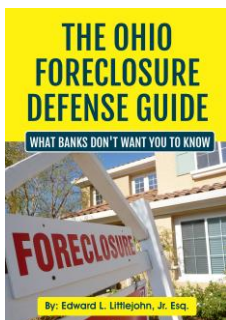


IN THIS ISSUE...

- Page 2 Topic of the Month – LLC’s for Real Estate Investments
- Page 3 Recipe of the Month – Crab Cake Linguini
- Page 4 Kyzlee’s Surprise

Our Goal is to Help Everyone Make Great Decisions about their Legal Issues.

Visit www.elittlejohnlaw.com for our Free E-books and Free Resources addressing your Real Estate, Business, and Estate Planning concerns.



Get your Guide Today!

STAY STRONG YOU CAN DO IT!

Month 3 don't give up. It only takes 21 days to make a New Habit, but it takes less than that to break a habit. Think about it, if your new habit is to wake up at 4:00 am each day and you start sleeping in until 6:30 am, then you start creating a New Habit of 1 sleeping past your alarm and 2 of getting up at 6:30. And all of this was done unconsciously. So, I continue to challenge you to make a Conscious Decision to continue with your Goals/Resolution/ Life Style Changes.

Each day that you make the Conscious Decision, it gives you an opportunity to live life to the Fullest. YOU CAN DO IT!

This month I want wish my mom a Happy Birthday! And to Thank her for watching Kyzlee every day, while Kellee and I are out at work.



Thanks Mom and Happy Birthday!

“Strength does not come from winning. Your struggles develop your strengths. When you go through hardships and decide not to surrender, that is Strength.” – Arnold Schwarzenegger

Tip of the Month – LLC’s for Real Estate Investments – What you need to know about LLC’s for Real Estate Investor’s in Ohio.

So, you’ve heard of an LLC or limited liability company and you may be wondering if it’s right for you to set up an LLC for your rental properties. In most situations, the answer is yes but there are many different factors to consider.

LLC v. Liability Insurance

Even though there are many benefits to holding real property through an LLC, it may not be the best holding vehicle for every property owner. For many real estate investors, the trouble of forming and maintaining a company isn’t worth protection from the theoretical threat of a lawsuit, particularly when affordable liability insurance is available.

As a result, some real estate investors solely rely on insurance as a means of protection from personal liability. And those investors take a significant risk. Liability policies typically have limits, exceptions and carve-outs. While the chance of a loss that exceeds policy limits may be remote, if it does happen, the consequences can be devastating.

LLCs, by their name, limit personal vulnerability to potential lawsuits related to the property. Consider the situation in which the owner of an investment property leases it to a tenant who decides to throw a big party, during which one of the tenant’s guests falls over a balcony. It’s safe to say, that the injured guest would pursue a claim based on the “unsafe condition” of the rental dwelling. More often than not, the owner would be named in any lawsuit resulting from the incident. But don’t forget that any lawsuit that comes against an LLC is aimed specifically at the company, not the individual responsible for it.

Now if that rental property were owned by a real estate investor individually, he or she would be named in the lawsuit and would have to defend his or her personal assets from the lawsuit, if the owner lost. However, if that same property were owned by an LLC, the owner’s risk exposure would be insulated by the protection of the company, leaving only the assets owned by the LLC (instead of all of the owner’s personal assets) exposed to potential lawsuits. In other words, the personal finances would not be in jeopardy with an LLC.

Tax Advantages

The other advantage of an LLC is the owner’s ability to enjoy the benefits of pass-through taxation. Under the default tax classification rules, the IRS classifies a real estate holding company with one owner as they would a sole proprietorship, (a disregarded entity). As a result, income and capital

gains from the LLC pass through directly to the owner, who would only have to pay taxes as an individual, while still enjoying the protections offered by the LLC liability shield.

Since there is no separate LLC tax, the owners can avoid double taxation on both the rental income generated by the property and the appreciation in value of the property upon disposition. Which means the owner of a single-member LLC can deduct mortgage interest similar to a sole proprietor based on the current IRS rules.

Real estate holding companies that have several owners are known as “multimember” LLC and are generally taxed by the IRS like partnerships, meaning that the LLC files an informational tax return, but does not actually pay taxes itself.

Multimember LLCs also enjoy the benefits of pass-through taxation as the LLC passes its profits and losses through to its members, who report their portions of the LLC’s business income or losses on either a Schedule C, K or Form 1065 with their individual income tax returns. This means that both the single member and multimember LLCs offer the benefits of pass-through taxation of profits and losses and limited liability and personal protection from the owners.

LLCs can make business life Simpler

LLCs offer a vast amount of other benefits relative to other entity forms that aren’t necessarily unique to – but certainly apply to – the use of LLCs to hold real estate investments, including the delegating of management responsibilities, taking advantage of the tremendous flexibility in the distributions of profits as determined by the LLC’s operating agreement, and the transfer of ownership in real estate holdings as an Estate Planning Tool. Although not every owners of an LLC will seek these particular benefits, it’s safe to say that LLCs can offer steep rewards to the owners that choose to take advantage of them. Your goal should be to minimize Risks with the Right Strategy.

RECIPE OF THE MONTH – CRAB CAKE LINGUINI

INGREDIENTS:

- 1 lb. linguini
- 4 tablespoon olive oil
- 1 garlic clove, minced
- 1 tin (2 oz) anchovies
- 1/2 tsp crushed red pepper chili flakes
- 2 boxes Gorton's Maryland Style Crab Cakes (4 crab cakes total)
- juice and zest of half a lemon
- 1/2 cup chopped flat leaf parsley
- salt and pepper to taste



DIRECTIONS:

1. In a large pot, cook linguini according to package directions. Reserve 1/4 cup of the pasta cooking water. Rinse pasta with cool water; set aside.
2. While pasta is cooking, make the crab cakes. Cook according to package instructions. I used frozen Crab Cakes last time I made it, but Fresh is always Best. Be sure to flip the crab cakes after 15 minutes, baking for a total 22 minutes. Set aside.
3. Heat olive oil in a large pan over medium-high heat. Add garlic, anchovies, and red pepper flakes. Break up the anchovies with a wooden spoon until they melt into the oil and garlic mixture.
4. Add cooked pasta to pan, and toss.
5. Break up two of the crab cakes and add to pan. Add chopped parsley, reserving about a tablespoon for garnish. Mix well. Turn off heat. Squeeze fresh lemon juice over pasta, and season with salt and pepper to taste.
6. Plate pasta and top with remaining crab cakes. Garnish with lemon zest, more fresh ground pepper, and remaining parsley. Serve immediately.

WHAT'S NEW WITH ME AND MY OWN



Excited about Kyzlee's first teeth. These last few months have had tons of exciting new developments with Kyzlee.

She's been sitting upright and literally rolling around the entire house. 😊

Not to mention the fact that she recently started clapping... Have you ever tried to feed a 7-month-old while she's clapping? Trust me unless you're skilled it results in food every where from her mouth to mine.

She has even started holding her own bottle, but only when it's convenient for her...



Oh, and did I mention that I've heard her say **DAA DAA???**

Jeff's back from his honeymoon and enjoying the married life, while fighting off a cold.

And Cassandra's busy getting things ready for her son's upcoming Brilliant Baseball League Season. Good Luck Cross!

CALENDAR OF EVENTS – UPCOMING LJ LAW VIP EVENTS

March 14th 2018 Conference Call – Trust Frequently Asked Questions & What are your duties as a Trustee.

April 11th 2018 – Small Biz Starter Kit, what you need to know about Starting a Small Biz and More!

May 9th 2018 – Real Estate Rights for Landlords & Tenants.

If you see a seminar that's interesting for you or your family be sure to pre-register by calling 740.314.4829. We'll send you more information as we get closer to the meeting, but only to those who have pre-registered.

CONTACT INFO & ADMINISTRATIVE ANNOUNCEMENTS

#1 Our promise to you is that while we are working on your case, we don't take inbound phone calls, emails, or pop-ups **Edward and Jeff take no inbound unscheduled phone calls or appointments, unless it's an emergency.** It makes them much more productive and helps get your case resolved faster. You can always call the office at 740.346.2899 and schedule an in-person or phone appointment, usually within 24-48 hours. This is a lot better than the endless game of "phone tag" played by most businesses today. Remember, too, that email is "quick," but is checked no more than twice a day. Replies are then scheduled into the calendar. So, if it's really important, don't email – call the office instead.

#2 Referrals are much appreciated and welcomed. If you know anyone who might benefit from our services, please pass along their name and we'll get our Free Resources out to them immediately. We would be grateful for the opportunity to work with some of your friends, co-workers, colleagues, and associates. And we promise to give them the special care and attention they deserve.

#3 This newsletter is for informational purposes only and no legal advice is intended. Be sure to consult with this law firm if you have a specific question about your situation.

I sincerely hope that you enjoy reading this as much as I enjoyed writing it.

Yours Truly,

Edward L. Littlejohn, Jr.

Edward L. Littlejohn, Jr.



Check us out at www.elittlejohnlaw.com. If you know anyone who may be in need of legal advice feel free to give them our telephone number or visit our website to get their legal questions answered.

740.314.4829

Littlejohn Law, LLC

LITTLEJOHN LAW, LLC

352 Main Street
Wintersville, OH 43953

Inside this Issue ...

- *Topic of the Month – LLC's for Real Estate Investments*
- *Recipe of the Month Crab Cake Linguini*
- *And more ...*

Happy Birthday to all the March Birthdays!

Enjoy your special day!