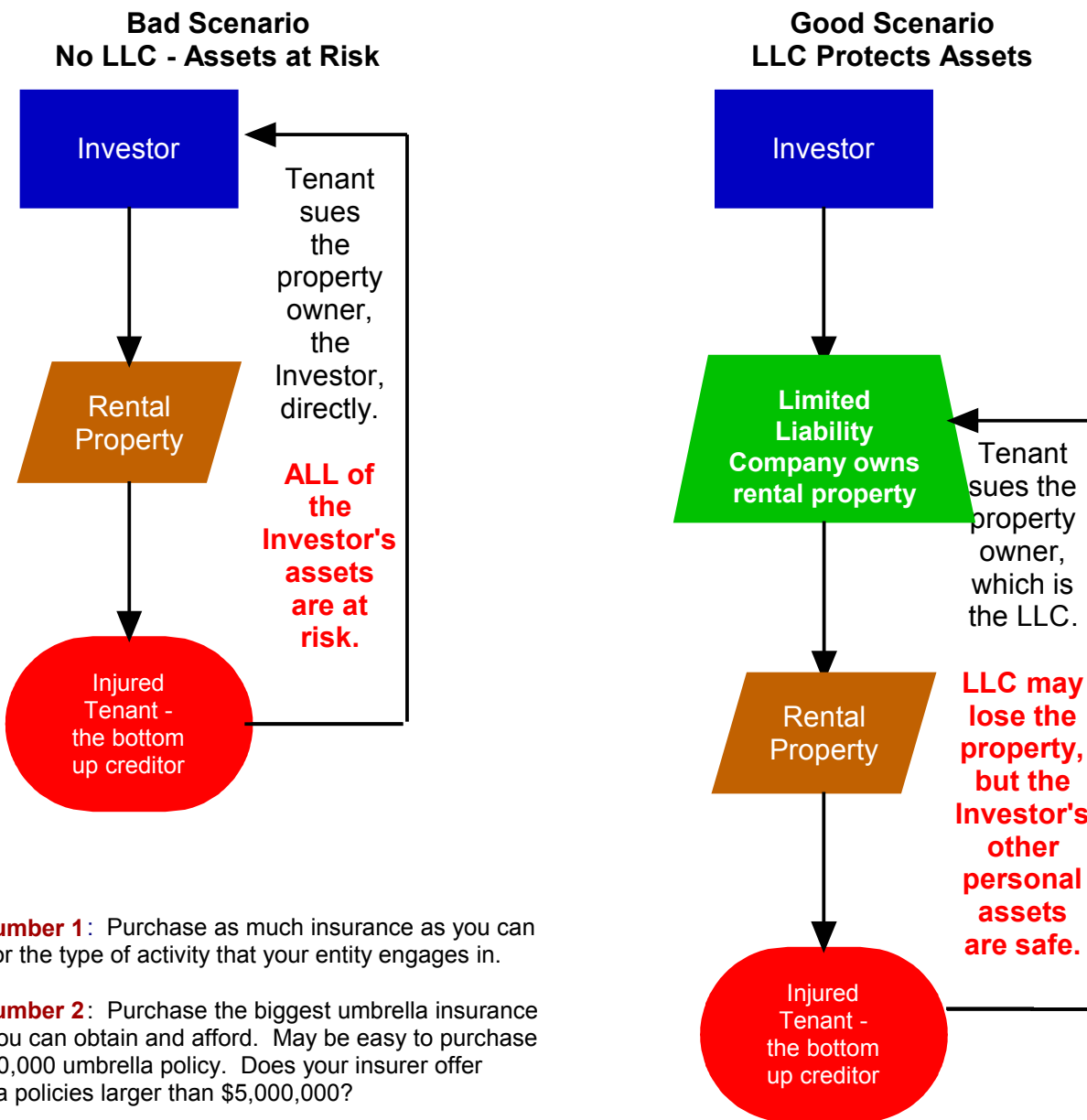


Bottom Up Creditor Problem

Use Limited Liability Company to Protect Assets



Rule Number 1: Purchase as much insurance as you can afford for the type of activity that your entity engages in.

Rule Number 2: Purchase the biggest umbrella insurance policy you can obtain and afford. May be easy to purchase a \$5,000,000 umbrella policy. Does your insurer offer umbrella policies larger than \$5,000,000?

Rule Number 3: Own real estate (other than your residence) in a limited liability company. Operate businesses through a limited liability company.

For more information about Arizona LLCs, see the Arizona LLC Library on our website at [www.keytlaw.com / ilc](http://www.keytlaw.com/ilc).

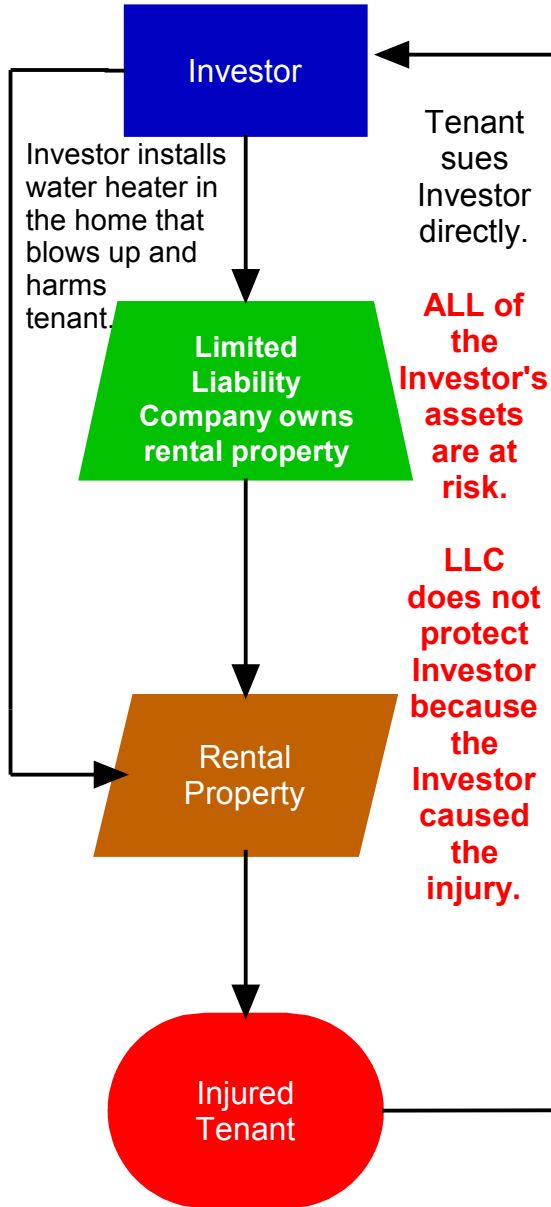
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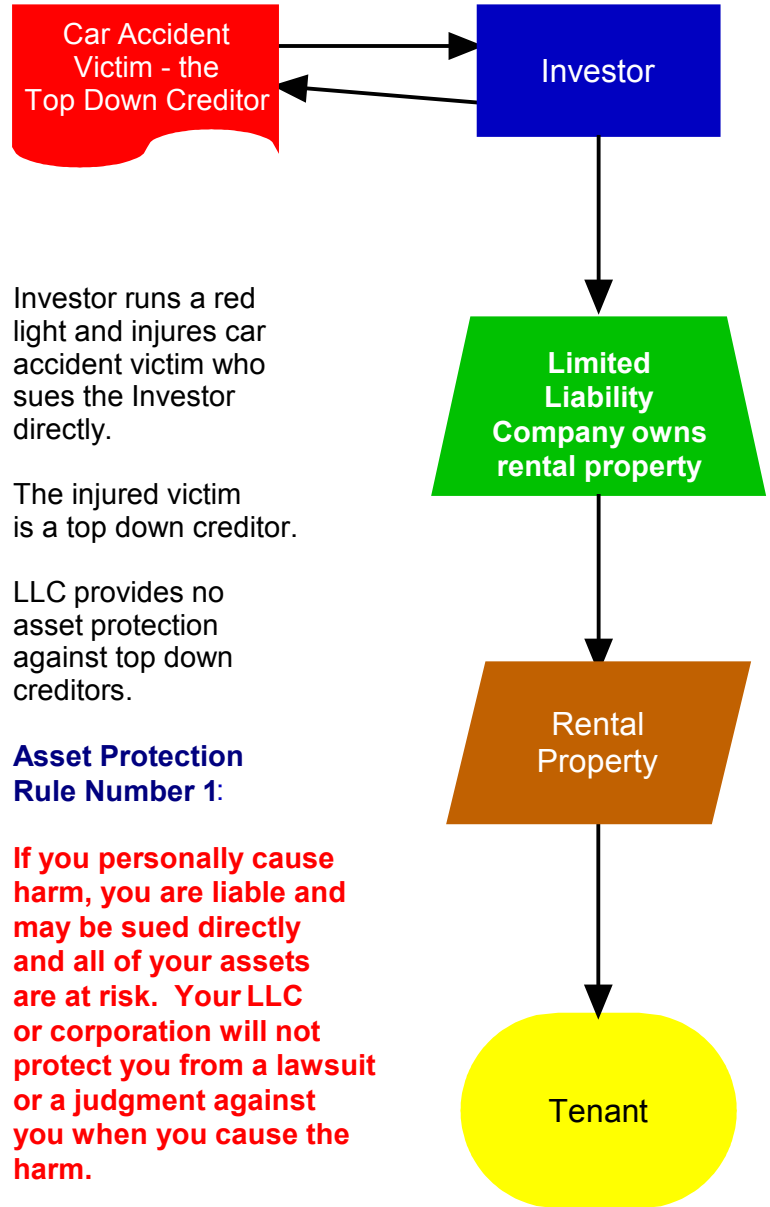
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Scenarios When an LLC Gives No Asset Protection

Bottom Up Creditor Problem



Top Down Creditor Problem



1st Line of Defense against top a down creditor is insurance

2nd Line of Defense against a top down creditor is a big umbrella insurance policy.

3rd Line of Defense against a top down creditor involves planning and various optional business structures created before a claim or contingent liability arises.

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