

## Protect Your Assets



### Asset Protection in Real Estate - More Crucial than Ever!

By: Carlos J. Reyes, Esq.

Commercial and residential realtors are on the “front-lines” to buyers purchasing real estate. In a commercial context, we’re talking about a setting that has both business and long-term investment implications. How you take “title” to that warehouse or commercial office space is crucial to protecting and preserving the investment. The same care and concern is rarely discussed in residential purchases. After the last meltdown - the “Great Recession” - we should all be more aware of the need to “legally” secure our “investment assets” lest they be exposed or subject to judgments, even to those unrelated to the property itself, which serves to dramatically diminish or eliminate the property’s equity. Realtors can bring tremendous “value-added” help and guidance to their buying customers by educating them on how “asset protecting” their assets can serve to protect their equity and investment long-term. And it all starts with how you “take title.” Here are some basics to keep in mind:

- 1) **Titling Assets in Individual Names** - unless it’s your homestead (where in Florida you have the Florida Constitutional Homestead protection), this creates unnecessary liability exposure. In our litigation happy society, this is a legal problem waiting to happen. Also, if a title holder unexpectedly dies, you may have to deal with probate.
- 2) **Titling Assets in Multiple Names** - Husband and wife titling is good, yet, multiple names may create unexpected “tenants in common” situations which again can lead to liability or issues related to the legal issues of the other partners becoming your own, demands for “partition of the property” by other partners, or involvement in unexpected probate as well.
- 3) **Titling in Corps, LLCs and Limited Partnerships** - all can be used, but can be more expensive over time (e.g., annual fees and taxes). Best of the group - generally an LLC, but the key here are the provisions found in the Operating Agreement—those require thought, time and attention.
- 4) **Land Trusts** - this is the most interesting vehicle and an excellent planning tool for residents and non-residents alike. It provides a multiplicity of benefits which help secure the ownership interests of buyers and investors and protect against liability exposure. A Land Trust provides an array of benefits, such as: privacy of ownership; avoids attaching judgment or tax liens; eliminates need for “multiple signatures” - only a Trustee signs for the trust; helps avoid expense of documentary stamp tax on transfers, easy to “maintain” the entity; avoids probate, and more!

**Bottom-line:** Working in collaboration with the buyer, the realtor, and/or the title company, the **Reyes Law Group** can assist the customers and “real estate team” help the buyer and/or investor secure their asset and protect it for the “long-term.” Call us—we’re ready to help!

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The hiring of a lawyer is an important decision that should not be based solely upon advertisement. Before you decide, ask us to send you free information about our qualifications.



**Reyes Law Group** is located in South Florida and serves the Broward, Miami-Dade, and Palm Beach county areas at 150 South Pine Island Road, Suite 210, Plantation, FL 33324. For more information about the **Reyes Law Group**, visit their website at [www.reyeslegal.com](http://www.reyeslegal.com) or contact them at (954) 369-1993 to schedule a free consultation to review your legal needs.