



Clark's LAWS PC

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Asset Protection for Landlords

If you have nothing, then you have nothing to lose. Landlords on the other hand, have a lot to lose. Run of the mill asset protection planning doesn't cut it for landlords. The risks landlords face are different than other individuals. So what kind of risks are we talking about? And how do we protect against those risks?

The Slip & Fall Risks. These types of risks are those landlords face by virtue of owning property. When someone walks on the property and gets injured, they look for the deep pockets to sue. Normally, that includes the property owner. How do you protect against this risk? First, you'll want to make sure you have the right insurance policies in place with adequate coverage. Secondly, you might want to look at why you are the deep pocket - most likely it's your equity in the property, so you might want to look at "equity stripping" by borrowing against your equity.

Tenant Risks. What happens if your tenants don't pay, they destroy your property, or both? The cost of eviction in legal fees, lost time and repairing the rental unit could run in the tens of thousands. Having a sound risk mitigation process in place is critical to prevent these types of costs. We assist our landlord clients in our programs by getting them set up with a strong lease agreement, comprehensive background checks and ongoing monitoring of tenant performance so we can swiftly respond at the first hint of trouble. We've found that processes like this can all but eliminate these risks.

Contract Risks. What if you're sued by someone, not because of an accident, but because of a breach of some agreement? Insurance doesn't cover this, so here's where correct entity structuring can make a big difference. Holding title in your individual name leaves you with no where to hide from these risks. On the other hand, with some smart entity structuring limited liability protection can shield you from most.

Risks From Outside Interests. Many landlords are also business owners and have families. Risks that a family member might incur, and liability from your business could affect your rental properties. Here, cordoning off your "at risk" assets (your business and family risks) from your "low risk" assets (your rental properties) is crucial.

Dealing with these risks is just one part of our **Rental Business Strategy Review** we do with our landlord clients. Want to get a handle on your risks? Give us a call, and we'd be happy to evaluate your asset protection plan.

*Attorneys for landlords
and active real estate
investors.*

LEASING & EVICTIONS
WHOLESALING & ASSIGNMENTS
FIX, FLIP & REDEVELOP
RESIDENTIAL BUY & HOLD
COMMERCIAL BUY & HOLD
COMMERCIAL DEVELOPMENT
PARTNERSHIPS & JOINT VENTURE
ASSET PROTECTION
REAL ESTATE LITIGATION

*"Even the tiniest of seeds
faces the challenge of break-
ing through the dark soil of
winter. It is the darkness
inherent in a challenging
experience that strengthens
us to sprout forward into
the light of Spring."*

-Jane Broccolo, Author &
Animal Communicator

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Ideas From the Front Lines

1. **The grass is always greener on the other side of the fence.** The months of May through June are some of the best times of year to find potentially troubled properties in NY. That's when the grass starts growing again and you can easily see who isn't maintaining their property. Waist high grass is often a good indicator of a potentially motivated seller.

2. **If you have to think anyway, you might as well think BIG.** How much money do you want to make this year? You have the number in your head. Now think of how many deals you'll need to do to reach that number. Will you make it? Do you have enough time, energy and money to make it happen? If it seems like a stretch, maybe you need to think

bigger. Our investor clients on average will earn the same amount in the year doing 1 small commercial deal as they will doing 8 residential fix and flips.

3. **Leveraged Networking.** Need more deals? Instead of networking to sellers, use the time to network with the people who come in contact with a lot of sellers. Who are the people sellers are speaking to when they are motivated to sell? Network with those people to make the most of your time.

Like these ideas? Want to get more? Shoot us an email at getmore@clarkslaws.com and let us know your name and whether you are a new or experienced investor. We'll add you to our [free mailing list](#) and keep you updated with our latest ideas and war stories.

I used to think of an attorney as a necessary evil, but now my relationship with Jim Clark and & Co has become an important piece contributing to the growth of my business.

- Jennifer K., New York, NY (Residential Flipper turned CRE Investor)

More Info?

Interested in hearing more about us and if we might be a good fit you. Here's how:

1. Give us a call at the office at 631.669.6300 and schedule a call with Jim Clark.

2. Send me an email at jclark@clarkslaws.com.

CLARK'S LAWS PC focuses exclusively on representing landlords and active real estate investors. We help clients reach their real estate investment goals, and seasoned investors preserve and enhance their real estate assets.

James E. Clark, Esq. is the principal and founder of the firm.

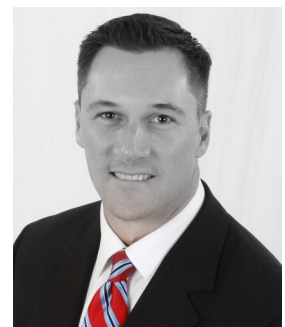
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Jim Clark Family & Investment Update

I'm looking forward to summer. The kid's sports schedules quieting down, getting back out on the boat, going to the beach etc. Like many, my family typically kicks off summer on Memorial Day weekend. It's easy to get lost in the excitement of warmer weather, barbeques and getting in the water, but we always try to take time as well to remember.

Many people forget that Memorial Day is about remembering those who died while serving our country in the armed forces. My son and I have a tradition of placing flags at one of the local national cemetery's early Saturday morning with his Cub Scout troop. The family and I also like to watch the Jones Beach Air Show from the water, especially when the Navy Blue Angels are in town. The talent on display in the skies over Jones Beach by our men and women in uniform makes me extremely grateful to be an American. These and other events help us remember. They also give us (my wife and I) an opportunity to talk to our kids about how freedom isn't free.

This Memorial Day, I hope you had the opportunity to enjoy, and also to remember.



-Jim Clark