

Is YOUR Law Business Set Up Right? The Smart Lawyers Guide to Protecting Your Personal Assets From Your Risky Business

As lawyers, we advise our clients on how to keep their assets safe from lawsuits. And yet so many of us are like the cobblers kids who wear no shoes and have not set up our own business in the right way to protect our own personal assets.

When I first opened the doors of my law firm, I asked around about whether I should incorporate my business and the universal response I got from other lawyers (!) was that there was no real benefit because I would be on the hook for my malpractice whether I was incorporated or not. I asked my CPA and she told me there was no real tax benefit, so I didn't incorporate.

Unfortunately, what I later came to learn is that this is TERRIBLE advice.

Everyone who runs a small business should put a shield between their business activities and their personal assets, especially lawyers.

Sure, your business entity won't protect your personal assets from any potential malpractice claims. But, your business entity will absolutely protect you from any claims by employees or independent contractors, claims against you as a result of actions taken by your employees or independent contractors, claims against you as a result of injuries on your property, etc.

Then, once you get your business entity set up with the right corporate form based on your state laws, be sure you maintain the entity and don't make the mistake many business owners make of thinking all you need is to file with the State and get a tax ID number from the IRS.

You need resolutions, annual meetings, updated annual meeting minutes, and to ensure you maintain all of your business bank accounts totally separately from your personal accounts.

Get yourself a credit card in the name of your business and never pay for anything personal with that card.

Be sure to absolutely record any contributions of capital you make into your corporation so that when you sell your business down the road you'll pay less capital gains tax. And, you are building your law firm to sell one day, right?

Last, be sure not to inadvertently subject yourself to personal liability by either 1) signing legal documents personally and not as the President or CEO of your business entity or 2) signing legal documents, like a property or equipment lease, that have a personal guarantee included that you could potentially have negotiated out of, if only you'd read the document.

It's pretty funny that I'm writing this article for lawyers, but like all business owners it's very easy to get caught up in working in our business that we make poor decisions when it comes to setting up our business in the right way.

About the Law Business Revolution

The Law Business Revolution is a **legal marketing and training organization** focused on helping attorneys attract quality clients, start and manage productive law firms, systematize their businesses and ultimately help lawyers attain more time and greater resources than ever before.

Training through the Law Business Revolution includes (but is not limited to), private and group coaching led by professionals that surpassed the 7-figure mark in their own firms and businesses, client engagement strategies, client attraction strategies, educational, relationship-based marketing techniques designed to get results, lead generation training, campaigns for consumers, referrals and prospects and systematizing a firm to run on autopilot.

Licensed attorneys are welcome to download over \$22,500 of free practice building resources courtesy of the Law Business Revolution at <http://www.lawbusinessrevolution.com> .