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May 22nd

56 passengers

Today's learning objective:

By the end of class, I will be able to create my own business with limited liability to my personal assets.

risk
responsibility

Today's language objective:

Oxbow Eatery LLC

Limited liability corporation

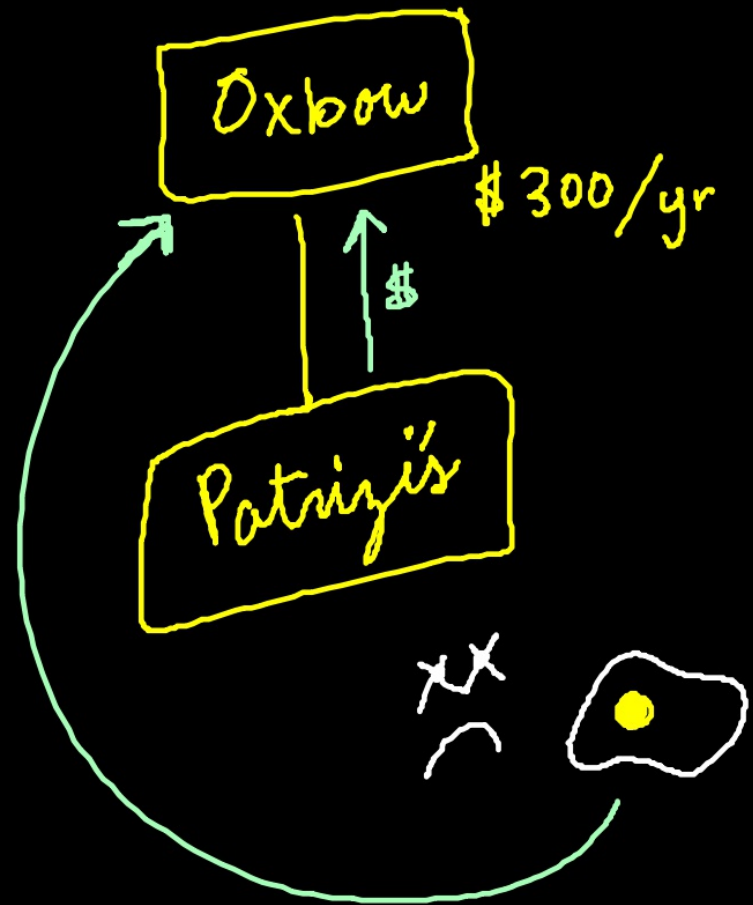
Partnership

Sole proprietorship

LLC

Limited Liability Corporation

Shields personal assets from litigation



Create your own business:

- 1) Name it
- 2) Write a mission statement
- 3) Choose the following business structure: LLC, partnership, or sole proprietorship
- 4) Defend your choice in 3)

Tina:

- 1) Art for Change; sole proprietorship
- 2) Mass produce art; 50% is charitably donated
- 3) Sole proprietorship because liability is low

Caden, Indi, Tate

- 1) RoboChop (\$2800)
- 2) Provide customers with exhilarating lawn care experience.
- 3) LLC

Caleb

- 1) Holy Cannoli
- 2) Ice cream parlor shop for Cannolis
- 3) Partnership (personal assets can still be taken)

Emily and Mark Rogers

1) Partnership

2) Condo (lease to people)

3) Home insurance (personal liability insurance - \$500k)

Sole Proprietorship

Ownership: 1 person; entitled to all profits and responsible for all debts, losses, and liabilities

Cost: it's free to start a business like this; no registration required

Liability: creditors can sue you personally, meaning your personal assets are at risk

Partnership

Ownership: 2 or more people 3 types: general (share everything), limited (limited liability for the other partner), joint venture (partnership for a specific project or limited amount of time)

Cost: Attorney to draft partnership legal documentation may run \$500 - \$2k,

Liability: you can be sued for your personal assets

Limited Liability Corporation

Ownership: can be a single owner, can be multiple owners, profits and losses (P&L) are passed through to the owners

Cost: potentially higher tax obligation, reporting fees, initial filing fees (\$300), reporting fees (\$200-\$500)

Liability: cannot be sued for your personal assets because the corporation is a separate entity

Which structure did Patrizi choose?

Partnership: Matt and Nic Patrizi are part owners

LLC: limited liability is attractive and the business is doing well enough to afford fees

Please Google "Oxbow Eatery LLC" and find the details about this Limited Liability Corporation.

Should I create my own business?

Yes, if you want to.

Alternatives for LLCs

Personal liability insurance

