

CONSTRUCTION COMPANY OWNER FACES LOSING BUSINESS

Case Study

Case Overview

A construction company and its owner is facing a potential lawsuit from a local bank on an unsecured One Million Dollar (\$1,000,000) line of credit. Payments on the loan have not been made due to the downturn in the economy and the need to maintain a minimum level of working capital to secure a bond. The bank is not willing to renew the loan or accept a secured position on any collateral.

Just six months ago the owner thought that he had a buyer for the construction company, that the proceeds from that sale would pay off the loan, and that he would have excess cash in the bank in order to retire. After going through the due diligence process, the sale fell through and the owner found out that a key employee had been embezzling a large amount of funds.

A few years ago, the owner moved his legal work to another law firm thinking that his Asset Protection System™ could be simplified. The other law firm downsized the system, only kept a few of the entities, and placed multiple assets within a single entity. As well, the other law firm did not maintain the assets, entities, or contracts and agreements on an annual basis. Many of the assets were never transferred into the newly acquired appropriate entities or trusts and are still in his individual name.

The business capital assets were never moved out of the operating entity and are now exposed. A strong argument can be made that a court should pierce the corporate veil because the entities are the “alter ego” of the owner since they have not been properly maintained.

The owner now faces the possibility of losing all of his personal and business assets, as well as the working capital that is required to maintain the bond. If the business cannot obtain a bond, then it can no longer operate. By attempting to simplify his Asset Protection System™ through other counsel, as well as not maintaining or updating it on an annual basis, the owner could potentially lose everything he has worked so hard for during his lifetime.



“Every once in a while you run into someone that is the best in the world at what they do. Travis Bowen and his team are just that. They provide the absolute best service with care and diligence unsurpassed. I am amazed every time I call the office for even the smallest detail. They provide the best asset protection that I have ever seen.

In addition to the great detail and wonderful service Travis and his team provide; they take the time to ensure that you and your family understand your system completely. Having my wife and children understand our assets and family trust gives me great peace of mind.

I would highly recommend Travis and his company to anyone wanting the best for their family.”

Patrick F. Maderia

LAW OFFICES OF
TRAVIS BOWEN, PC

136 EAST SOUTH TEMPLE
SUITE 1050
SALT LAKE CITY, UT 84111
801.364.0123
WWW.BOWENLAW.COM