

INVESTOR AT RISK FOR SIGNING PERSONAL GUARANTEE ON LOAN

Case Study

Case Overview

An investor is facing a potential deficiency judgment from a personal guarantee that he signed pursuant to a Six Million Dollar (\$6,000,000) real estate development project.

The value of the real estate development project has dramatically decreased in the past year due to the deteriorating economy. To compound the problem, the investor provided the bank with a personal financial statement that listed each of his personal assets as being owned by him instead of properly listing that he owned the interest in each of his entities.

A few years ago, the investor decided that he did not want to incur the expense of maintaining and updating his Asset Protection System™ on an annual basis. Therefore, many of his assets are still in his individual name or are not in the proper entity. As well, the entities, contracts, and agreements were never documented or maintained. A strong argument can be made that the entities are the “alter ego” of the investor since they have not been properly maintained and that a court should pierce the corporate veil.

When the deficiency judgment is obtained by the bank, the investor will have little protection against the bank’s execution on such judgment due to the incorrect personal financial statement, the assets that are titled in his personal name, and the lack of maintenance of his Asset Protection System™. By making the decision to not incur the cost of annual maintenance of his Asset Protection System™, the investor could potentially lose everything he has worked so hard for during his lifetime.



“Before using Travis and his team that put my Scorecard together, my personal and business structures were an absolute “train wreck,” just waiting for someone to dig their hands into my pockets. Now I can rest easier knowing that outside influences cannot penetrate the umbrella they created for me. The Asset Protection System works, I have experienced the benefits first hand.”

Dr. Scott Kiser

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