



“When Your Business is Failing Take Special Care With Company Assets”

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Suppose your business is in danger of failing. Protecting your personal assets is an activity that should have been taken care of prior to this period because any actions you take now may ultimately be deemed by the court to be intentional fraudulent conveyance. What this means is that you chose your personal priorities over those of the business.

Fraudulent conveyance is, legally speaking, is the term used to describe the act of conveying to yourself—or to others near you—property that belongs to your business. In essence, whenever a business gets in trouble, you have a duty to protect the interests of the creditors as well as those of the business.

If you know the company is going to fail and all the property will eventually be sold at auction, you can't just start selling business assets to your family members at bargain basement rates.

You do need to make some efforts to protect your personal assets. Even if you are late in doing this, it is very important that you speak with a professional—a CPA or a professional estate planner—who can help you understand all the issues. There may be actions you can take to stabilize your personal asset situation.

Whatever the case may be, you will want to ensure this is taken care of for any future business activities you may participate in. Basically, certain personal assets are protected from court actions, and when you develop a personal asset protection plan, much of it has to do with converting unprotected assets to protected assets.