FREELAWSCHOOL™

Built Backwards™

The 12-Point LLC Test

12 SIGNS YOUR BUSINESS WAS SET UP IN THE WRONG ORDER

"Structure determines what survives."™

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START HERE

What This Is, and Who It's For

You formed an LLC. Maybe last month. Maybe ten years ago. Either way, a question may be forming in the back of your mind:

> *"Is my business set up the right way, or did I do it in the wrong order?"*

Most business owners did it in the wrong order. Not because they weren't smart. Because nobody told them there was an order.

Here is what usually happens. You form the LLC first. You open the bank account, sign the lease, and start working. Your own name becomes the foundation. The layers that should sit **above** the LLC never get built.

That is what **Built Backwards™** means. The roof went up before the foundation.

This test gives you twelve plain-language statements. Each one describes a sign of a business built backwards. You don't need to know any law to answer them. You only need to be honest about what is true right now.

This test is for you if:

- You have an LLC, whether it is brand new or years old.
- You formed the LLC before anything was set up above it.
- You want to know what is exposed before something tests it.
- You're ready to look at your setup honestly, not just hopefully.

How to use it

Read each statement. If you would say it out loud about your business and mean it, check the box. If it doesn't fit, leave it blank. If you aren't sure, check it. Not knowing is a sign too.

There are three groups of four. Answer all twelve before you turn to the results.

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THE TEST

The 12 Statements

GROUP 1

Identity Exposure: Your Name Is the Business

These are the signs you can see without knowing anything about business law.

1 If someone looks up who owns my business, my personal name is what they find. ☐

2 The lease, loan, or main contract my business depends on has my personal signature on it, not just the business name. ☐

3 My business money and my personal money get mixed. I pay personal bills from the business account, or move money back and forth without paperwork. ☐

4 I signed a personal guarantee for a business lease, loan, or credit line, and I'm not sure what happens to it if I change how my business is owned. ☐

GROUP 2

Ownership Confusion: An LLC With Nothing Above It

Any check in this group means your next step is the free Strategy Session. See the results page.

5 Nothing owns my LLC except me, personally. My LLC is the top of the chain. ☐

6 If I were sued personally (a car accident, a personal debt, a divorce), the person who won could go after my ownership in my business. ☐

7 The valuable things my business owns (equipment, vehicles, real estate, brand, cash reserves) sit in the same LLC that signs contracts and serves customers every day. ☐

8 I have never formally separated what my business **owns** from what my business **does**. ☐

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GROUP 3

Legacy and Transfer Risk: What Happens Next

These signs show up when you start thinking past today toward protection, funding, or passing the business on.

9	If something happened to me tomorrow, there is no written plan for who takes over my business. It would likely go through probate court.	☐
10	I own my business in my own name, and I have never moved that ownership into a structure designed to hold it.	☐
11	My lease, loan, or a key contract says I need permission before the ownership of my business changes. Or I don't know whether it says that.	☐
12	My business depends on a license, permit, or tax election (such as an S corporation election) that could be affected by who owns it. Or I don't know whether it could.	☐

YOUR TALLY

Group 1 checks (1 to 4)	_____
Group 2 checks (5 to 8)	_____
Group 3 checks (9 to 12)	_____
Total	_____

> *A quick word on statements 11 and 12. They aren't about protection. They are about what can go wrong when you fix your structure without checking first. A change in ownership can trip a clause in your lease or loan, or affect a license or tax election. These items get reviewed before anything moves.*

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YOUR RESULTS

What Your Answers Mean

Did you check anything in Group 2?

Skip the score. Group 2 is the core of a business built backwards: there is nothing between you and what you own. Book your free Business Structure Strategy Session now. Scan the code, or see page 7.

No checks in Group 2? Add up your total and find your range.

0	**Ahead of Most** You may have already built the layers most owners skip. Even so, a structure is only as good as its paperwork and its order. One missing document can undo the rest. **Next step: confirm it holds in a free Strategy Session.**
1 to 3	**Partially Exposed** Some gaps remain. They are specific, and they matter more than they look. Each statement you checked is a door a lawsuit, a debt, or a death could walk through. **Next step: map which gaps to close first in a free Strategy Session.**
4 to 7	**Built Backwards** Your business works, but the layers above it are missing. You are personally holding the weight of everything the business does. The gaps aren't theory. They are active every day. **Next step: book your free Strategy Session.**
8 to 12	**Fully Exposed** Your name is the business, and nothing stands between what you built and what could reach it. This is common, because nobody told you there was another way. The good news: nothing has to be torn down. The missing layers get built around what you already have. **Next step: book your free Strategy Session now.**

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THE PROBLEM IN PLAIN TERMS

What "Built Backwards" Really Means

When the LLC comes first and your name is the foundation, everything built on top attaches to you. Your name is on the contracts. Your signature is on the guarantees. Your ownership sits in your own hands, where anyone with a claim against you can reach it.

An LLC is a good tool. It helps keep the business's debts from becoming your debts. What it does not do on its own is protect the business from **your** problems. A personal lawsuit, a personal debt, or your death all come at the business through you, the owner.

> *"Risk and value should be separate."™*

A business built in the right order has three layers, each with one job:

LAYER 1 **Trust**	**Holds ownership.** Your ownership moves out of your personal name. You still direct it. It also gives the business a clear path to the next person if something happens to you.
LAYER 2 **HoldCo**	**Holds value.** A holding company keeps what is worth protecting away from the daily risk of doing business.
LAYER 3 **OpCo**	**Does the work.** Your operating company signs contracts, serves customers, and carries the day-to-day risk, with less of value sitting inside it.

The order matters. The paperwork that connects the layers matters. And the checks before anything moves (your contracts, guarantees, licenses, and tax elections) matter most of all. That is where do-it-yourself fixes usually break.

Be straight about timing. Structure is built before trouble, not during it. If you are already being sued, already have a judgment, or are in a divorce, moving assets now can be reversed by a court and can make things worse. Say so in your Session. Structure also does not erase a personal guarantee you have already signed.

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YOUR NEXT STEP

Book Your Free Business Structure Strategy Session

This test named the condition. The Session maps the fix, in the right order, for your business.

FREE

What happens in the Session

- We go through your checked statements, one by one.
- We map which of the three layers you have and which are missing.
- We flag what must be checked before anything moves: leases, loans, guarantees, licenses, and tax elections.
- You leave with a clear next step for your stage, in the right order.

What to bring

- This test, with your boxes checked
- Your LLC formation papers and operating agreement, if you have one
- Your main lease or loan, if your business has one

> *Every business owner eventually faces an event that tests whether the structure holds. The ones who built it right, or fixed it in time, don't panic. "Structure determines what survives."™*

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THE FINE PRINT

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The Business Structure Strategy Session is an educational consultation. It does not create an attorney-client relationship and is not a substitute for advice from a licensed attorney or tax professional in your state.

Laws differ from state to state. Restructuring ownership can affect contracts, guarantees, licenses, tax elections, and creditor rights. Transfers made while a claim is pending or expected may be undone by a court. Consult a licensed attorney in your jurisdiction before signing any legal document or changing how your business is owned.