



PERRY & TRENT  
ATTORNEYS AT LAW



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# DISASTERS

Don't have to be catastrophies



# Disasters Happen

- ACCIDENTS RESULTING IN DISABILITY
  - DEATH OF THE SOLE PROPRIETOR
    - DEATH OF A PARTNER
- DISABILITY OR DEATH OF THE TRAINER



# FAILURE TO PLAN

- Partners scrambling to cover additional work, discover information known only to deceased or disabled partner, and not written down.
- Family member already emotionally stressed attempting to step into an unfamiliar business.
- Adds unnecessary emotional pain and extreme stress to family members and employees.
- Loss of clients and revenue due to necessity of continuing with the show or competition season.
- Loss of key personnel due to uncertainty and/or lack of pay.



# Protect your loved ones!



Tina Pradobiv



# How to be Sure it isn't a Catastrophe

Make Sure Another Responsible Person is Available to Take Over:

1. Look at your business documents – Articles of Organization, Partnership Agreements, Employment Agreement with Trainer:

- Determine whether a transfer agreement is required.
- Most multi-member companies, corporations, and partnerships are set up such that another person or member can step in.
- If you are organized as a single member limited liability company or have an inactive partner, you may need to take further action.



# Sole Member and Partnership Suggestions

- Consider and identify other companies or trainers or stables with whom you have a referral relationship.
- Consider entering into a formal referral relationship with one of these companies.
  - You agree that in the event of an extended issue or death, your stable will temporarily transfer clients and/or horses, and then the other stable transfers back.
- Be prepared for a potential transfer of clients or horses.
  - Keep a current inventory of all animals, tack and equipment that the business owns;
  - Keep an up to date list of clients and horses boarded, with up to date contact information;
  - Consider how you value your horses, tack and equipment and write that formula down;
  - Talk to an attorney about a business succession plan.





# Worries!

- There are a limited number of clients, horses, available trainers, money!
- What if the other company keeps my clients?
- What if I cannot come back, and the transfer ruins the value of the business as an ongoing concern?
- This is why attorneys are NOT the bad guys! Address it in writing!
- Did we mention addressing it in writing? Have a written agreement addressing the transfer of clients, horses, etc, back to you
- Not to be repetitive, but ... ADDRESS IT IN WRITING. Plan for this eventuality in the agreement.



# THINGS EVERYONE NEEDS TO DO:

- First and foremost, make sure that you have a SPRINGING DURABLE power of attorney.
  - Allows someone else to make business and personal decisions for you in the event that you are incapacitated.
  - Takes effect ONLY if you are incapacitated.
- Have an emergency plan with your vet.
  - Provide the vet with a list of your animals, how you use them and the extent to which you are willing to go to save the animal
  - Specify if your willingness to spend certain amounts is dependent on the animal's ability to be used for the purpose for which you purchased the animal.



# Make the Decisions in Advance



# IT IS EASIER

- Decisions made ahead of time are easier on everyone.
- We all know that as an economic matter, it just doesn't make sense to spend huge amounts on a retired horse.
- When face to face with a situation, particularly one





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Thank you

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