

BERNICE'S SERIOUS

CHECKLIST

EPISODE 1: SOLE TRADER & CROSS-COLLATERAL EXPOSURE
AUDIT

SAPIENCE FINANCIAL
CAMPAIGN ASSET · THE HOUSE
OF RISK

The Structural Reality Check: Operating a rapid-growth small business under a personal Sole Trader framework provides precisely zero asset protection. The legal system draws no distinction between your business debt liabilities and your private family wealth. Sole traders have unlimited personal liability. Because the law does not separate you from your business, your personal assets (such as your home, car, and personal savings) are all on the line if the business incurs debt, faces a lawsuit, or goes bankrupt.

1. SOLE TRADER MOAT & ENTITY ISOLATION CHECK

1.1 Personal Identity Exposure Tracking

Are the primary day-to-day commercial business operations run entirely under a personal tax file identity or Sole Trader structure rather than an isolated Proprietary Limited (Pty Ltd) entity?

1.2 Unprotected Private Asset Vulnerability

Are you aware that under common law, standard Sole Trader business models carry unlimited personal liability, making your savings accounts, investment balances, and personal property available to satisfy creditors?

1.3 Operational Vehicle & Equipment Ring-Fencing

Are core commercial assets, trade licenses, and site vehicles structurally isolated away from high-liability operational channels to ensure a business lawsuit cannot freeze domestic mobility assets too?

2. CONTRACTUAL SECURITY CLAUSES & BANK EXPOSURE

2.1 All-Moneys Mortgage Clause Identification

Have your legal advisors reviewed your residential home mortgage paperwork for hidden "All Obligations" clauses that automatically cross-secure your home title deed to satisfy outstanding business loans?

2.2 Overlapping Institutional Risk Concentration

Is your family home loan held with the exact same tier-1 banking institution that provides your commercial business credit cards, trading lines, or equipment lease overdraft accounts?

2.3 Right of Set-Off Vulnerabilities

Are your personal cash reserves exposed to automated bank ledger sweeps, where an institution holds the unilateral authority to instantly claw back funds out of linked personal accounts to balance a business debt problem?

2.4 Multi-Lender Separation Framework

Have you structurally unlinked your finances by keeping your private residential property mortgage with an independent lender who possesses zero visibility over your commercial bank lines?

3. SUPPLIER GUARANTEES & HIDDEN PROPERTY CHARGES

3.1 Trade Credit Application Charging Clauses

Have you audited your trade credit agreements with suppliers and material vendors to ensure you haven't inadvertently signed a hidden 'charging clause' granting suppliers an automatic equitable mortgage over your family home title?

3.2 Caveat Execution Mapping

Are you aware that signing a trade agreement containing a 'personal charge clause' legally empowers an adversarial supplier to bypass standard court delays and lodge a caveat directly against your property?

3.3 Centralised Personal Guarantee Tracking

Do you maintain an active, list or spreadsheet tracking every single director guarantee and personal indemnity signed since the business's inception, detailed with explicit strategic renegotiation dates?

 **IS YOUR BUSINESS STRUCTURE FORTRESS AN ILLUSION?**

If you checked fewer than 10 boxes today, your home title deed, your private wealth, and your family's personal lifestyle are actively underwriting unmonitored commercial debt facilities. Do not wait for a heavy notification of default to implement structural risk minimisation.



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