

Spiegel & Utrera, P.C.

Counselors & Attorneys at Law

Offices Located In:

Chicago, Dover, DE, Fort Lauderdale;
Las Vegas, London, Los Angeles, Miami,
New York City, Northern New Jersey,
Orlando, Tampa

4727 Wilshire Boulevard
Suite 601
Los Angeles, California 90010
Telephone (323) 936-3400
Facsimile (323) 939-5600

THANKS FOR INQUIRING ABOUT A FAMILY LIMITED PARTNERSHIP

Just think. Within minutes you can form your Family Limited Partnership right over the phone.

It's easy. It's quick. And you'll save a substantial amount of money.

Listen: We are glad you inquired about our services because there's no reason for you to spend a ton of money to organize when you don't have to.

If you've priced the same identical services locally, you know that being there "in person" is costly. Very costly. Yet the services you receive are no better than those you can get from us directly on the phone.

Let me explain.

We will form your Family Limited Partnership with the direction of an attorney who will make certain all clients meet all legal requirements. For one low fee, you get...

- Certificate of Limited Partnership
- Family Limited Partnership minutes
- Family Limited Partnership by-laws
- Family Limited Partnership book
- Family Limited Partnership certificate
- Family Limited Partnership seal
- And a preliminary name search.

Included in this fee is the State of California filing fee and our fee. The works!

TAX SAVINGS

To save you time and run around, we can get your Federal Tax Identification Number for you and start the paper work for your State Sales Tax Number. What's more, don't you want tax savings with a home office lease or car lease?

And that's not all.

ASSET PROTECTION, INDEMNIFICATION PROTECTION, CREDITOR PROTECTION AND LP PROTECTION

Want Asset Protection? We'll draft a deed or other asset transfer agreement so you can take advantage of Limited Liability. Want Indemnification Protection? We'll draft the agreement and articles in the Certificate of Limited Partnership that provides for it.

What's more, we strongly urge you to get a Limited Partnership agreement. A Limited Partnership agreement details the distributions of profits and allocations of losses, duties of the Limited Partners and General Partner vis-à-vis the Family Limited Partnership, protection of tangible and intangible Family Limited Partnership property and meetings of the Family Limited Partnership. Want Creditor Protection? We can include provisions in your Limited Partnership Agreement so that a creditor of a Limited Partner will not jeopardize the Family Limited Partnership itself.

It's also very important you have a Limited Partner restrictive agreement. Then you can prevent the sale of Family Limited Partnership interests to outsiders unless the remaining partners agree to it and numerous other thorny issues. We'll work up these agreements for you, if you wish.

LEGAL AND STRATEGIC BUSINESS ADVICE

Let us help in many ways. For instance, just ask as a member of what we call the General Counsel Club and you can take advantage of our legal and strategic business advice. We'll show you: how to avoid probate...get maximum privacy...seize business opportunities... build a profitable business...prepare business plans...make BIG profits... solve finance, tax and related problems, become a powerful negotiator...

And all this is just for starters. More: How to sharpen your business skills... select the right franchise... avoid costly pitfalls in leases...push profit centers...set and achieve business goals ON TIME!

Still more: How to pick, manage and inspire employees...develop real estate buying and leasing expertise...acquire real estate with zero down...make huge profits off real estate...even make sure your competitors don't steal customers from you.

CALL TODAY WITH YOUR CREDIT CARD HANDY. ONLY \$119.95 GETS YOUR FAMILY LIMITED PARTNERSHIP FORMED IN MINUTES.

Do call today. You'll be off the phone and on the way to protection of your estate for future generations. All prices are subject to change at any time without notice.

P.S. Not sure? Have questions? Call the numbers above today. Let us answer all your questions for you obligation free. We want to help. Thanks.

P.S.S. Please feel free to call our free faxback service. It's loaded with lots of information for you. Just dial 800-303-3300.

P.S.S.S.Need a Family Limited Partnership in other states? We can help. We have offices in Miami, Fort Lauderdale, Tampa, Orlando, New York City, Long Island, New Jersey, Chicago, Las Vegas, Los Angeles and Delaware. Visit our website at www.amerilawyer.com or call 18006033900.

SAVE TIME AND MONEY.... SUCCESS STARTS WITH PLANNING!

*Spiegel & Utrera, P.A. is a full service law firm that can help you solve most of the problems associated with formation, **before** they happen. Here are solutions to most of your Family Limited Partnership needs....*

MORE SERVICES

General Counsel Club & Registered Agent Service

Let Spiegel & Utrera, P.A., help you grow your business!

Our firm has what we call the "General Counsel Club". Select this valuable service at the time of ordering your Family Limited Partnership and receive an additional one month Bonus - so that your first year of service will cover 13 months PLUS take a \$50 discount, so **you pay only \$89.95** for the first 13 months of service. You get unlimited telephone consultations all year long on all your legal matters, both business and personal, plus our firm will prepare the Notice and Minutes of your Family Limited Partnership's Annual Meeting of Partners; our firm will comply with all statutes and applicable laws relating to your Family Limited Partnership's Registered Agent & Registered Office; our firm will review all mandatory State Family Limited Partnership filing documents as required by the Secretary of State; our firm will act as your Family Limited Partnership's General Counsel; and you will receive our firm's newsletter, "Entrepreneur's Alert®", which is published six times a year and provides valuable insight into running your business from a legal and business point of view.

Detours and Contradictions

Want more out of your Family Limited Partnership? Then don't miss Lawrence Spiegel's, 223 page *Detours and Contradictions*. Use this book, and all your available resources, to begin the challenging yet fulfilling journey of entrepreneurship. As we'll see... having a marketable idea is only the first step in a lengthy process. Along the way you'll encounter numerous detours and contradictions, risks and rewards. The price of *Detours and Contradictions* is just \$13.50 if you order when forming your Family Limited Partnership. PLUS there is no extra charge for shipping, handling and processing as your book will be shipped with your Family Limited Partnership. Also, as an added bonus, your copy of *Detours and Contradictions* will be personally autographed by Lawrence J. Spiegel.

Charlie's Entrepreneurial Journey

Building your business, or selecting the type of business to start, is easy when using *Charlie's Entrepreneurial Journey* as a guide and applying Lawrence J. Spiegel's thirty eight "Principles of Entrepreneurship" to your business. Spiegel's latest book provides 416 pages of insight into the world of an aspiring entrepreneur named Charlie. Charlie's journey leads him through topics never discussed in business books but essential to success. Topics include: costs associated with Acquiring a Customer, Urgency to Purchase, Saturation Advertising, Success Leaves Tracks and Repetitive Business. Spiegel's "Principles of Entrepreneurship" cannot be found anywhere else. In fact, no one has ever *exposed* the business *secrets* Spiegel discloses. If you are seeking to spark your business you will find an *EXPLOSION* in this book. Order this book at the time of forming your corporation and you will get *Charlie's Entrepreneurial Journey* for \$19.50 which includes shipping, handling and processing, when ordered with the formation of your company. PLUS Lawrence J. Spiegel will personally autograph your copy of *Charlie's Entrepreneurial Journey*.

Service Agreement

If your Limited Partnership is a service business, you'll need a Service Agreement.

The bedrock foundation of many service businesses is a customized written agreement entered into with its customers. Many franchises sold for tens of thousands of dollars are business formats revolving around a Service Agreement. The key with a Service Agreement is to make it work as a marketing tool offering the business services in the widest variety of formats to your customers. For example, a one-time use customer needs to be converted to a monthly, quarterly or annual type repeat customer. At Spiegel &

Utrera we want to help you get, and keep, your customers while looking professional and at the same time maximizing each sale with a friendly service agreement. A Service Agreement starts at \$367.95 up to \$897.95 depending upon its complexity if ordered at the time of forming your family limited partnership. We will prepare a draft of your Service Agreement and deliver the draft by fax or email to you for your review. Once you have had an opportunity to review the Service Agreement we will meet over the telephone to discuss the various aspects of the draft Service Agreement. Thereafter, Spiegel & Utrera will make changes to the Service Agreement to finalize it. Once the Service agreement has been finalized and delivered to you, you should take it to your printer to be printed and padded so it will always look professional and non-negotiable.

Non-Voting Limited Partnership Interests

Allowing differences in voting rights is particularly advantageous to entrepreneurs who need to attract additional capital, but who also want to retain voting control over their partnership. For example, as a founding partner, you may want to have all of the voting partnership interests so as to participate in the management of the partnership and control its operations, while transferring all of the non-voting partnership interests to others so that they may share in the appreciation value and earnings of the partnership. Seasoned business-owners will instinctually recognize the value of such an agreement. We'll draft a special provision for your partnership agreement and issue special certificates for non-voting partnership interests. This item costs only an additional \$74.95 if ordered at the time of formation. Also, you'll want to protect yourself with a Limited Partners Restrictive Agreement.

California New Hire Reporting

Federal law requires all California employers to report basic information about employees, who are newly hired, rehired, or who return to work after a separation from employment. You must submit a report for each newly hired employee. Failure to report new hires within 20 days of their hire date may result in civil penalties. There may be a \$24 fine per each newly hired employee or, if the State determines there is a conspiracy between employer and employee not to report, the penalty can be up to \$500 per newly hired employee. We can provide you with a package of 6 New Hire Registration Forms for \$35. The forms are customized with your Family Limited Partnership's information, and you may re-use them for each person you employ.

California Unemployment Tax Account Number

This number is used to withhold California Unemployment Taxes from your Company's payroll. If you have any employees on the payroll, including yourself, you will need this account number. We can initiate the paperwork for this account number for you and deliver it with the Family Limited Partnership. The cost at the time of forming your Family Limited Partnership is only \$35.

California Sales Tax Number

If you sell goods or taxable services, this is your Seller's Permit and Registration as a retailer with the State of California. This account number also allows you to buy goods for resale or export and not pay any State sales tax. The fee to initiate the paperwork for you to obtain this number is \$35 when ordered at the time of forming your Family Limited Partnership.

California Retailer's Resale & Exemption Certificates

State and local tax laws require that vendors have in their files properly executed Exemption Certificates given to them in good faith by all of their customers who claim California Sales Tax Exemption. We can prepare a set of Exemption Certificates for you to give to vendors from whom you intend to buy goods for either resale or export to be exempt from paying State or local sales taxes. The fee for a set of 6 Re-Usable Certificates is only \$35 when ordered in conjunction with the formation of your Family Limited Partnership.

One Time Use of Spiegel and Utrera, P.C. Address

Many times clients do not have the initial address for the formation of their Partnership. We can provide the use of our office address for this purpose. There is a charge of \$49.95 for this service. However, please note that this service does not include our Mail Forwarding Service.

Mail Forwarding Service

If you have not set up your Family Limited Partnership office or you want your attorney to receive your Family Limited Partnership mail, you may use any Spiegel & Utrera, P.C. office address as your mailing address. Our mail forwarding service is only \$15 per month. There is a six month minimum order. There is also an initial postage deposit of \$25, additional postage/shipping, if any, will be billed separately. However, please note that this service does not include our One Time Use of Spiegel and Utrera, P.C. Address.

Business Checking, Investment Account and Delayed Debit Gold MasterCard

Let Spiegel & Utrera, P.A. help you set up your new business checking account. In addition to a business checking account, the account also comes with an investment account and a delayed debit Gold MasterCard. Depending upon the day in the billing cycle when a charge is made, your account will continue to earn interest for up to 30 days from the date of purchase or until the balance of the debit card for that period is charged to your account. In addition, with this account you have the ability to make deposits and withdraw funds from over 800 bank locations and other financial institutions in the United States. Multiple delayed debit Gold MasterCard's are available for use by your employees. Internet bill payments are free. No minimum balance is required to maintain your business checking account, however, there is an initial deposit of \$10,000 which is required to open the Business Checking, Investment Account and Delayed Debit Gold MasterCard. If you order your business checking, investment account and/or delayed debit Gold MasterCard from Spiegel & Utrera, P.A. at the time of forming your Partnership, the fee is \$249.95 to prepare all the necessary documentation and follow up until such time as your business checking, investment account and/or delayed debit Gold MasterCard has been established. If ordered after forming your Partnership, the fee is \$449.95.

Federal Tax ID Number

The equivalent of a social security number for an Family Limited Partnership. You will need it to operate your business and open a bank account for the Family Limited Partnership. We can obtain this number for you and the advantage of allowing us to get it for your Family Limited Partnership, is that we will deliver it with your Family Limited Partnership for only \$35, so you may open your bank account immediately. If you are a Foreign National without a United States Taxpayer Identification Number or a United States Social Security Number, the charge for the Federal Tax ID Number is \$125.

D & B Number - *Start Building Your Business Credit Immediately*

According to Dun & Bradstreet, the D & B number is widely used by both commercial and federal entities and was adopted as the standard business identifier for federal electronic commerce as early as October 1994. The D & B number was also incorporated in the Federal Acquisition Regulation (FAR) in April 1998 as the United States Federal Government's contractor identification code for all procurement-related activities. The D & B number is also known as the D-U-N-S® number and remains with the partnership location to which it has been assigned even if it closes or goes out of business. With that in mind, it is important to have a physical location for your business when obtaining the D & B number. D & B also states that the D-U-N-S® number also "unlocks" a wealth of valued-added data associated with that entity, including the business name, physical and mailing addresses, trade styles (fictitious name, assumed name, alternate name or DBA), principal names, financial, payment experiences, industry classifications (SICs [Standard Industry Classification] and NAICS [North American Industry Classification System]), socio-economic status, government data and more. The D-U-N-S® number also links members of corporate family trees worldwide. If ordered at the time of forming your partnership, Spiegel & Utrera, P.A. will obtain your D & B number, also known as your D-U-N-S® number, for \$50. If ordered later, the charge to obtain the D & B number, also known as your D-U-N-S® number, is \$75.

Individual Taxpayer Identification Number (ITIN)

An Individual Taxpayer Identification Number is a tax processing number only available for certain nonresident and resident aliens, their spouses and dependants who cannot get a Social Security Number. It is a 9-digit number, beginning with the number "9", formatted like a Social Security Number (NNN-NN-NNNN). Spiegel & Utrera, P.A. will prepare all the documentation necessary for you in order to obtain your Individual Taxpayer Identification Number. The charge for this service is \$125.

FAMILY LIMITED PARTNERSHIP OPTIONS

Family Limited Partnership Agreement

In order to process your Family Limited Partnership, you will need a Family Limited Partnership Agreement prepared by our Firm or, if you already have a Family Limited Partnership Agreement, you will need to furnish our Firm an opinion letter from qualified independent legal counsel representing the proposed Family Limited Partnership stating counsel has reviewed the Family Limited Partnership Agreement and such Agreement is fully compliant with California law and represents the business entity contemplated by the parties.

A well-drafted Family Limited Partnership Agreement will:

- Describe the amount of capital contributions that the partners have to make, how much and when distributions of profits will take place and allocate losses among the partners to minimize tax liability;
- Ensure compliance with filing requirements with the Secretary of State by mandating an annual report;
- Provide a framework for the settlement of disputes between partners by allowing mediation and arbitration as a quicker, cheaper method;
- Prevent a partner from selling his stock to a third party without first offering it to existing partners as a right of first refusal;
- Provide a framework for the purchase of a Limited Partnership interest by the remaining partner in the event a partner dies with a right of first refusal;
- Prevent a partner from competing against the Limited Partnership by selling the same products or offering the same services;
- Require partners to maintain the confidentiality of all customer names and other business records so that partners don't run off with valuable Limited Partnership secrets or intellectual property;
- Prevent a partner from impairing the goodwill of the Limited Partnership by bad-mouthing the management or financial standing of the business; and
- Prevent a partner from soliciting customers of the Limited Partnership for new Limited Partnership business.

Obviously, this is a very thorough Contract. It is drafted by our attorneys and used by business owners such as yourself. This agreement is very versatile and an absolute necessity for a Family Limited Partnership with multiple owners. Remember the old adage, "An ounce of prevention is worth a pound of cure." A Family Limited Partnership Agreement is \$449.95 for up to four partners. Additional partners and complex Limited Partnerships require additional charges which are available upon request.

Limited Partners Restrictive Agreement

We strongly recommend you enter into a Limited Partner Restrictive Agreement. This agreement is entered into by the Limited Partners and the Family Limited Partnership to enumerate and describe the rights and obligations of the Limited Partners to each other and to the Family Limited Partnership. More

particularly, it affords a right of first refusal where in the event a Limited Partner wants to transfer their partnership interest it requires approval and/or a buyout by the other limited partners.

A draft of this agreement will be prepared as part of our service, so you may review the Agreement, make changes and discuss it with one of our Attorneys. Please bear in mind that this Agreement is customized specifically for your Family Limited Partnership. Normally, the fee to prepare such a comprehensive agreement of this nature would be \$1,500 or more. However, your cost is only \$150 if prepared in conjunction with the formation of your Family Limited Partnership.

Limited Partner Divorce Protection Provisions in the Limited Partners Restrictive Agreement for Limited Partnerships

Unfortunately, many eager entrepreneurs anticipate a successful business venture but never contemplate the "down side." Of course, our Firm recommends that individuals protect themselves by having business entities as Limited Partners in the Partnership to add a layer of limited liability protection, but what happens if a Limited Partner is an individual that gets divorced? Will the Limited Partnership interest remain with the Limited Partner or get awarded to the spouse as part of the divorce settlement? What happens if a Limited Partner tries to convey or assign their Limited Partnership interest to a spouse or former spouse to meet their obligations? A carefully drafted provision in the Limited Partners Restrictive Agreement should afford a right of first refusal when a Limited Partner wants to transfer their Limited Partnership interest by requiring a buyout of the Limited Partnership interest by the other Limited Partners. Such a provision will protect the current Limited Partners from potential ownership by divorced spouses or other possible sources of ownership conflict. For example, assume a Limited Partnership set up by husband John Smith, wife Pocahontas Smith, and son Al Smith. All are Limited Partners, and son Al is married to Patti Smith. What happens if Al and Patti Smith file for a divorce? Provisions in the Limited Partners Restrictive Agreement require that in the event of the filing of a divorce involving a Limited Partner of the Limited Partnership, a notice is sent to the other Limited Partners offering them a right of first refusal, which allow them to purchase Al Smith's Limited Partnership interest to avoid having Patti Smith as a Limited Partner, especially after a nasty divorce. Furthermore, even if none of the Limited Partners want to buy the Limited Partnership interest at issue, any transfer of Limited Partnership interest would require unanimous consent of the other Limited Partners. Let us draft these special provisions to protect your Limited Partnership from divorce for an extra \$75 when ordered with the Limited Partners Restrictive Agreement at the time of formation or \$150 thereafter.

General Partners Restrictive Agreement

We strongly recommend you enter into General Partner Restrictive Agreement. This agreement is entered into by the General Partner and the Family Limited Partnership to enumerate and describe the duties of the General Partner and to the Family Limited Partnership. More particularly, it affords a right of first refusal where in the event a General Partner wants to transfer their partnership interest it requires approval and/or a buyout by the Limited Partners.

A draft of this agreement will be prepared as part of our service, so you may review the Agreement, make changes and discuss it with one of our Attorneys. Please bear in mind that this Agreement is customized specifically for your Family Limited Partnership. Normally, the fee to prepare such a comprehensive agreement of this nature would be \$1,500 or more. However, your cost is only \$150 if prepared in conjunction with the formation of your Family Limited Partnership.

General Partner Divorce Protection Provisions in the Limited Partners Restrictive Agreement for Limited Partnerships

Unfortunately, many eager entrepreneurs anticipate a successful business venture but never contemplate the "down side." Of course, our Firm recommends that individuals protect themselves by having business entities as General Partners managing the Limited Partnership to add a layer of limited liability protection, but what happens if a General Partner is an individual that gets divorced? Will the Limited Partnership interest remain with the General Partner or get awarded to the spouse as part of the divorce settlement? What happens if a General Partner tries to convey or assign their Limited Partnership interest to a spouse or former spouse to meet their obligations? A carefully drafted provision in the Limited Partners Restrictive Agreement should afford a right of first refusal when a General Partner wants to transfer their

Limited Partnership interest by requiring a buyout of the Limited Partnership interest by the other Partners. Such a provision will protect the current Partners from potential ownership by divorced spouses or other possible sources of ownership conflict. For example, assume a Limited Partnership set up by husband John Smith, wife Pocahontas Smith, and son and General Partner Al Smith. All are Partners, and son Al is married to Patti Smith. What happens if Al and Patti Smith file for a divorce? Provisions in the General Partner Restrictive Agreement require that in the event of the filing of a divorce involving a General Partner of the Limited Partnership, a notice is sent to the other Partners offering them a right of first refusal, which allow them to purchase Al Smith's Limited Partnership interest to avoid having Patti Smith as a General Partner, especially after a nasty divorce. Furthermore, even if none of the Partners want to buy the Limited Partnership interest at issue, any transfer of Limited Partnership interest would require unanimous consent of the other Partners. Let us draft these special provisions to protect your Limited Partnership from divorce for an extra \$75 when ordered with the General Partners Restrictive Agreement at the time of formation or \$150 thereafter.

Family Limited Partnership Management Agreement

A Family Limited Partnership may enter into a written Management Agreement between the Family Limited Partnership and the General Partner. The Management Agreement should be drafted in such a way so that it conforms with the provisions of the Family Limited Partnership Agreement and, in addition thereto, it will:

- Spell out the terms of employment, such as the duties, responsibilities and compensation of the General Partner.
- It states that the General Partner will not compete against the Family Limited Partnership for a specific period of time after leaving the Family Limited Partnership;
- Prohibit the General Partner from disclosing any of the Family Limited Partnership's business records, computer data, trade secrets, methods of operation, et cetera;
- Prevent the General Partner from soliciting customers or clients of the Family Limited Partnership;
- Prevent the General Partner after leaving the Family Limited Partnership, from soliciting the Family Limited Partnership's employees to work elsewhere.

A Family Limited Partnership Management Agreement is generally used in two situations. The first is when one Limited Partner of a multi-Partner/owner Family Limited Partnership becomes the General Partner. The other situation is when an individual becomes the General partner who is not a Limited Partner. This Agreement sets out the duties and responsibilities of the General Partner to the Family Limited Partnership. The Agreement also covers such topics as compensation, confidentiality, non-compete, check signing, use of Family Limited Partnership assets and any other topic required by your Family Limited Partnership. Please bear in mind that this Agreement is customized specifically for your Family Limited Partnership. Normally, the fee to prepare such a comprehensive agreement of this nature would be \$1,500 or more. However, your cost is only \$150 if prepared in conjunction with the formation of your Family Limited Partnership.

General Partner Indemnification Agreement and Covenant Not to Sue

We strongly recommend that you include special provisions in your Certificate of Family Limited Partnership and additional agreements which trigger this important protection requiring the Family Limited Partnership to indemnify and hold harmless its General Partner from any actions it takes on behalf of the Family Limited Partnership and to reimburse the General Partner for Family Limited Partnership start up costs. If the General Partner is ever sued for actions taken on behalf of the Family Limited Partnership, these provisions require that the Family Limited Partnership be held responsible. These important provisions and agreements cost only an additional \$75 if ordered at the time of formation of your Family Limited Partnership.

Limited Partner Indemnification Agreement and Covenant Not to Sue

We strongly recommend that you include special provisions in your Certificate of Family Limited Partnership and additional agreements which trigger this important protection requiring the Family Limited Partnership to indemnify and hold harmless the Limited Partners from any actions they take on behalf of the Family Limited Partnership and to reimburse the Limited Partners for Family Limited Partnership start up costs. If the Limited Partners are ever sued for actions taken on behalf of the Family Limited Partnership, these provisions require that the Family Limited Partnership be held responsible. These important provisions and agreements cost only an additional \$75 if ordered at the time of formation of your Family Limited Partnership.

Lender's Agreement & Promissory Note

Initially a Family Limited Partnership needs a cash infusion. Additionally, the Family Limited Partnership may require a continuing advance of funds for some time. Its important to minimize the amount of money a Partner is required to pay for the Family Limited Partnership in the Family Limited Partnership because the Partners could be held personally liable by the Family Limited Partnership and/or the creditors of the Family Limited Partnership for not contributing all the funds the Partners had initially agreed to contribute to the Family Limited Partnership. How does the Family Limited Partnership get the money? After the initial purchase of its Family Limited Partnership interests, generally, the Family Limited Partnership has two choices for obtaining additional money: (1) Partners can contribute additional funds for their Family Limited Partnership interest (not the preferred method as previously stated) or (2) loan money to the Family Limited Partnership. Lending money to the Family Limited Partnership is the preferred method to advance money to the Family Limited Partnership because the lender is seen as a creditor of the Family Limited Partnership. The lending of money to the Family Limited Partnership is accomplished with a Lender's Agreement and a Promissory Note. Both of these instruments together provide for an initial amount of a loan to the Family Limited Partnership and also provide for future advances of money the lender might make to the Family Limited Partnership. In the event of failure of the business, the loan will be fully tax deductible by the lender as a bad debt. The fee for the Lender's Agreement and Promissory Note, if ordered at the time of the formation of your Family Limited Partnership, is only \$75.

Security Agreement for Family Limited Partnership

Once you have decided to use the Spiegel & Utrera, P.A. Lenders Agreement and Promissory Note, the next step is to collateralize the personal property assets of the Family Limited Partnership in favor of you, the lender with a Security Agreement. A Security Agreement is a contract between a lender and borrower. The Security Agreement gives the lender a security interest and the right to repossess personal property that a borrower has offered as collateral if a note is not paid per its agreed terms. This right is superior to all subsequent creditors provided the lien given by the Security Agreement is perfected. The Security Agreement available from Spiegel & Utrera, P.A. is complete and includes provisions relating to type of collateral being secured, address where collateral will be kept, executing further documents, events that shall constitute a default, assignment of secured collateral by holder, a listing of events that would constitute default by the borrower and the rights of the lender should the borrower default. Provided you have ordered the Spiegel & Utrera, P.A. Lenders Agreement and Promissory Note, the fee for the Security Agreement, if ordered at the time of forming your Family Limited Partnership, is an additional \$75.

Perfecting the Lien Created by the Security Agreement - Uniform Commercial Code

Liens against personal property are perfected differently than liens on real property. The use of the phrase "personal property" does not mean property owned personally by the owner of a business. Instead, the term refers to all property used inside or outside of a business (with the exception of real property) including equipment, furniture, inventory, etc. To perfect a lien against personal property used in a business, strict adherence must be followed pursuant to the Uniform Commercial Code, documentation must be created, executed and filed with the appropriate government agencies. Once recorded, the Uniform Commercial Code makes a lien valid and serves as notice that the lien exists. Usually, the first recorded lien takes priority. Provided you have ordered the Spiegel & Utrera, P.A. Lenders Agreement

and Promissory Note and the Spiegel & Utrera, P.A. Security Agreement, the documentation required to perfect the lien under the Uniform Commercial Code is \$75, if ordered at the time of forming your Family Limited Partnership.

LEASE/AGREEMENT CONSULTATIONS

Avoid costly mistakes, **always**, *always*, always have any type of Contract/Lease or otherwise legally binding agreement reviewed by an Attorney BEFORE you sign it. We offer Consultations at all our offices and over the phone for \$100. per half hour or a fraction thereof. For your convenience, you can fax us the documents that need to be reviewed and the attorney can advise you over the phone. Some of the topics you may wish to discuss include:

Real Estate Purchase Reviews: Review of purchase/sale agreements associated with the purchase of real property.

Business Purchase Review: Review of purchase/sale agreements associated with the purchase or sale of a business.

Commercial Lease Reviews: (including Business Spaces such as: Offices, Stores, Warehouses, and Commercial Lofts)

Our staff has many years of experience representing Tenants. Having your lease reviewed BEFORE you sign on the dotted line can save you thousands of dollars.

In our review we address issues such as:

- Rentable vs. Usable Space
- Reasonable Rental Rates
- Free Rent
- Best Length of Lease
- Options to Extend the Lease & Purchase the Premises
- Leasing contiguous space for expansion
- Assignment and Subletting
- Caps on Rent increases and expenses demanded by Landlords
- Repair Responsibilities
- Exclusivity of Tenant's Business
- Early Termination Rights
- Personal Guarantees, should you or should you not
- Renewal Terms
- Zoning Issues
- Landlord build out costs
- Change of Control of Tenant
- Signage Protection

TAX SAVING LEASE AGREEMENTS

Home Office Lease

Agreement detailing the leasing of office space by a homeowner or tenant with a Family Limited Partnership for use as the Family Limited Partnership 's principal place of business. The typical tax savings under this agreement can exceed \$1,200 per year. The Home Office Lease is only \$150 when ordered with your Family Limited Partnership, and as an added bonus to our clients, we draft the Lease in such a manner that it is automatically renewable from year to year at no additional charge.

Motor Vehicle Lease

If you use your vehicle for business purposes, it is usually much more advantageous to keep the vehicle in your name and lease the vehicle to the Family Limited Partnership. The typical tax savings under this type of arrangement ranges between \$1,500 and \$3,000 per tax year. As an added bonus to our clients, we draft the lease in such a manner that its automatically renewable from year to year at no additional charge. We can prepare the lease for only \$150 when ordered with formation of your Family Limited Partnership.

Office Equipment Lease

A lease which details the leasing of office equipment by a business. Once again, by leasing equipment to the Family Limited Partnership, you create a legitimate business expense for the Family Limited Partnership and a Tax Deduction. Typically, the tax savings under this type of arrangement can exceed \$1,000 per tax year. As an added bonus to our clients, we draft the lease in such a manner that it's automatically renewable from year to year without additional charge. The cost for an Office Equipment Lease is only \$150, when ordered with the formation of your Family Limited Partnership.

EMPLOYEES / INDEPENDENT CONTRACTORS

Employee Benefits and Policies

If you are using employees in your business, it is important to have written Benefits and Policies. Let us prepare your Employee Benefits and Policies. Unlike the Employment Agreement, the Employee Benefits and Policies creates an understanding of the entitlements of the employee relative to the policies of the business and provides protection for the business. The Employee Benefits and Policies will be customized for your business and are designed to cover:

- Vacation
- Absences, including vacation, sick time, time off for injury, death in family, jury duty, excused absence, military leave and emergency situations
- Holidays
- Equal Employment Opportunity
- Drug and Alcohol Abuse Policy
- Payday and Pay Period
- Overtime
- Internet and Email Policy
- Sexual Harassment
- 90-Day Training/Probation Period
- Forfeiture of Commission, Incentive Compensation and Bonuses relating to failure to complete the initial employment period

- Business Hours
- Moonlighting Restrictions
- Honesty
- Pornography at Work
- Medical Insurance
- COBRA
- Timecards
- Departure from Employment with Notice or Without Notice
- Dress at Work
- Business Cards
- Parking
- Keys
- Alterations or Modifications
- Other benefits and/or policies which may be of special interest to your business

By having the customized Employee Benefits and Policies, the business has clearly communicated to its employees the Employee Benefits and Policies in effect at the business and how the Employee Benefits and Policies are to be followed so that there are no surprises. For example, relating to an employee who leaves the business without giving adequate notice who then would only be entitled to be paid at the minimum wage for any time due and owing and forfeiting any vacation days, sick days, commissions, incentive compensation and/or bonuses.

The Employee Benefits and Policies may be re-used by the business as it hires additional employees. The cost of the Employee Benefits and Policies is just \$167.95 if ordered now with the formation of your company.

Employment Agreement

If you are using employees in your business, it is important to have a written Employment Agreement to document the conditions of Employment. An Employment Agreement can be very advantageous for a business and should be required for all employees, whether new or existing. It creates a clear understanding of the arrangement between the employee and the Family Limited Partnership and provides protection for the business. The Employment Agreement also contains other important provisions:

- It spells out the terms of employment, such as the duties, responsibilities and compensation of the employee.
- It states that the employee will not compete against the Family Limited Partnership for a specific period of time after leaving its employment.
- It prohibits the employee from disclosing any of the Family Limited Partnership's business records, computer data, trade secrets, methods of operation, et cetera.
- It prevents the employee from soliciting customers or clients of the Family Limited Partnership.
- It prevents an employee, after leaving the Corporation's employment, from soliciting the Family Limited Partnership's employees to work elsewhere.

The Employment Agreement is prepared in such a way that you can use it over and over again to avoid additional costs in the future. By having this Employment Agreement, the Family Limited Partnership is given substantial clout in preventing an employee from joining a competitor, or competing against the Family Limited Partnership and disclosing business secrets to anyone. The Agreement may be re-used by the Family Limited Partnership as it hires additional employees, the cost of the Employment Agreement is just \$150.

Independent Contractor Agreement

There are many reasons for using Independent Contractors, however, simply verbally stating that a worker is an Independent Contractor is not enough according to the IRS. Certain criteria must be met. The IRS considers 11 factors in three specified areas: *Behavioral Control*, *Financial Control* and *Type of Relationship*. So, before you engage the services of an Independent Contractor, it is essential that you document that relationship with a written Independent Contractor's Agreement, otherwise the IRS could hold your Family Limited Partnership and you personally liable for the Independent Contractor's Income Tax, Social Security, Medicare Tax and Federal Unemployment Tax, which should have been withheld. As a signatory on the check used to pay the Independent Contractor, you could be held personally liable for these taxes. The Independent Contractor's Agreement also contains other important provisions:

- It spells out the duties, responsibilities and compensation of the Contractor.
- It states that the Contractor will not compete against the Family Limited Partnership for a specific period of time after the project is completed.
- It prohibits the Contractor from disclosing any of the Family Limited Partnership's business records, computer data, trade secrets, methods of operation, et cetera.
- It prevents the Contractor from soliciting customers or clients of the Family Limited Partnership.
- It prevents the Contractor, after leaving the Family Limited Partnership, from stealing the Family Limited Partnership's employees.

For a detailed explanation of the Benefits of using Independent Contractors' Agreements, including a breakdown of the 11 factors the IRS analyzes and Industry examples provided by the IRS, please refer to document 239 of Spiegel & Utrera's Free Faxback Service, call (800) 303-3300 and follow the prompts. We can provide an Independent Contractor's Agreement that covers all the legal requirements and many business advantages for your Family Limited Partnership for only \$150 if ordered at the time of formation of your Family Limited Partnership.

SHIPPING INFORMATION

Family Limited Partnership Packages, generally weigh approximately 4 pounds and are available for Pick up at any of our offices or may be shipped to you via Regular (2-3 day) Service for a charge of \$17.95 or via Overnight Delivery for a charge of \$30.95.

SPEED OF SERVICE OPTIONS

2 BUSINESS DAY FAMILY LIMITED PARTNERSHIP

If you need your Family Limited Partnership formed urgently, for an additional \$550, we can expedite the preparation of the Family Limited Partnership records and file your Family Limited Partnership within 24 hours. The State of California under this process guarantees the Family Limited Partnership will be filed and completed by their office within 24 hours. Once our office receives your filed documents we prepare the rest of your Family Limited Partnership Records including your Family Limited Partnership Seal, and ship to you in 2 business days. If you request under this class of service, we will also fax your certificate of limited liability partnership to you on the **2nd business day** of your order.

5 BUSINESS DAY FAMILY LIMITED PARTNERSHIP

If you need your Family Limited Partnership formed quickly, for an additional \$450, we can expedite the preparation of the Family Limited Partnership records and file your Family Limited Partnership. Our office receives your filed documents within 5 days of their filing, then we prepare the rest of your Family Limited Partnership Records including your Family Limited Partnership Seal, and ship to you in 5 business days. If you request under this class of service, we will also fax your filed certificate of limited liability partnership to you on the **5th business day** after your order.

Orders received after 3:30 pm will be processed the following business day.

REGULAR SERVICE

The Family Limited Partnership Package is complete and includes Certificate of Partnership, Family Limited Partnership Book, Family Limited Partnership Seal, Preliminary Name Search, State Filing Fees, and Attorneys Fees. Any additional documents or agreements you may order will also be delivered with your Family Limited Partnership Records book. We complete your documents the same day you place your order and speak with us. Then your documents are immediately sent to the State of California for filing. The State of California files the documents received from us according to their own work flow schedule. This process varies depending on the time of year but **generally takes 2 to 4 weeks**. So if you need your Family Limited Partnership sooner select one of our expedited services.

LOS ANGELES OFFICE

Call:	323-936-3400
Toll Free:	888-520-7800
Fax:	323-939-5600