

# Spiegel & Utrera, P.A., P.C.

Counselors & Attorneys at Law

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**Offices Located In:**

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New York City, Northern New Jersey,  
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## THANKS FOR INQUIRING ABOUT A LIMITED LIABILITY COMPANY

**Just think. Within minutes you can organize 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 LLC with the direction of a New York attorney at Spiegel & Utrera, P.A., P.C. and we will make certain all clients meet all legal requirements. For one low fee of \$234.95, you get...

- Articles of Organization
- Company minutes
- Company by-laws
- Company book
- Member certificate
- Company seal
- And a preliminary name search.

Included in this fee is the State of New York 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.

And that's not all.

If you have a single-member LLC, we can even prepare documents to qualify your company for the tax-saving Sub Chapter S status under the Internal Revenue Code provisions. How about more tax savings with a home office lease or car lease?

## **ASSET PROTECTION, INDEMNIFICATION PROTECTION, CREDITOR PROTECTION AND LLC 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 Articles of Organization that provides for it.

What's more, if yours is a multi-member LLC, we strongly urge you to get an operating agreement. An operating agreement details the distributions of profits and allocations of losses, duties of the Operating Manager vis-à-vis the LLC, protection of tangible and intangible LLC property and meetings of the LLC. Want Creditor Protection? We can include provisions in your Operating Agreement so that a creditor of a LLC will not jeopardize the LLC itself.

It's also very important you have a members' restrictive agreement. Then you can prevent the sale of membership interests to outsiders unless the remaining members agree to it and numerous other thorny issues unique to multiple members. 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 \$234.95 GETS  
YOU ORGANIZED IN MINUTES.**

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Do call today. You'll be off the phone and fully organized in mere minutes. 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 Company in New Jersey, Delaware, California, Nevada, Florida or Illinois? We can help. We have offices in Dover, Miami, Fort Lauderdale, Tampa, Orlando, New York City, Long Island, New Jersey, Chicago, Las Vegas and Los Angeles. Visit our website at [www.amerilawyer.com](http://www.amerilawyer.com) or call 1 8006033900.

## ***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 forming an LLC, **before** they happen. Here are solutions to most of your LLC formation needs....*

### **MORE SERVICES**

#### **Spiegel & Utrera, P.A. 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 LLC 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 matters relating to legal and strategic business advice. Plus our firm will prepare the Notice and Minutes of your LLC's Annual Meeting of Members and Managers; our firm will comply with all statutes and applicable laws relating to your LLC's Registered Agent & Registered Office; our firm will review all mandatory State LLC filing documents as required by the Secretary of State; our firm will act as your LLC'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 LLC? 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 regular price of Detours and Contradictions is \$13.50 if you order when forming your LLC. PLUS there is no extra charge for shipping, handling and processing as your book will be shipped with your LLC. **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 LLC 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 is only \$367.95 if ordered at the time of forming your LLC. 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.

### **Mail Forwarding Service**

If you have not set up your company office or you want your attorney to receive your company mail, you may use any Spiegel & Utrera, P.A. 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.

### **Supplemental Approval of Certain New York Limited Liability Companies**

If the name and/or purpose of your New York Limited Liability Company contains reference to any of the following items, a separate supplemental approval process must be completed at the New York State level. Company names and purposes referencing or suggesting education, training, lessons, banking, finance, insurance, unions, chamber of commerce, daycare for children, home health care services, military or naval affairs, non-public schools, health, mental health, disabilities, alcohol or substance abuse, mental retardation, developmental disabilities, political parties or any type other of company requiring approval by the State of New York. The fee for the approval process associated with the foregoing names, if ordered at the time of formation of your Limited Liability Company, is \$150. Please be aware that all processing time frames of Spiegel & Utrera, P.A., P.C.'s work begins after the State of New York Supplemental Approval Process is completed.

### **Special Certificate of Organization Clauses for Certain New York Limited Liability Companies**

If the purpose of your Limited Liability Company relates to a cooperative or local development company and, provided it is ordered at the time of formation of your Limited Liability Company, there is an additional fee of \$150 for the special Certificate of Organization. Please be aware that all processing time frames of Spiegel & Utrera, P.A., P.C.'s work begins after the special Certificate of Organization clause is accepted by the State of New York.

## **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 Limited Liability Company, 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 Limited Liability Company, the fee is \$449.95.

## **LLC OPTIONS**

### **Operating Agreement**

The way the LLC will be run is described in an Operating Agreement. The Operating Agreement defines the duties and responsibilities of the Members to each other and to the LLC.

#### **A well-drafted LLC Operating Agreement will:**

- Designate the Members that invest in the business;
- Designate the Managers that handle the day-to-day operations of the business and describe Managers' management powers and control;
- Describe the amount of capital contributions that the Members have to make, how much and when distributions of profits will take place and allocate losses among the Members 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 Members by allowing mediation and arbitration as a quicker, cheaper method;
- Prevent a Member from competing against the LLC by selling the same products or offering the same services;
- Require Members to maintain the confidentiality of all customer names and other business records so that Members don't run off with valuable LLC secrets or intellectual property;
- Prevent a Member from impairing the goodwill of the LLC by bad-mouthing the management or financial standing of the business; and
- Prevent a Member from soliciting customers of the LLC for new LLC business.

The agreement should be very thorough and anticipate common company problems so that the proper course of action is defined ahead of time rather than leaving Members “flying by the seat of their pants,” so to speak. A draft of this Agreement will be prepared as part of our service, so you may review the Agreement and make changes and discuss it with one of our Attorneys. Normally, the fee to prepare such a comprehensive agreement of this nature would be \$1,500 or more. However, your cost is only \$99.95 for a single member LLC and \$149.95 for up to 4 members of a multi member LLC, additional members are \$50 each, if prepared in conjunction with the LLC formation.

### **Members Restrictive Agreement for a Limited Liability Company**

We strongly recommend you enter into a Member Restrictive Agreement. This agreement is entered into by the Members and the LLC to enumerate and describe the rights and obligations of the Members to each other and to the LLC. More particularly, it affords a right of first refusal where in the event a Member wants to transfer their Membership interest it requires approval and/or a buyout by the other Members.

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 LLC. 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 LLC.

### **Member Divorce Protection Provisions in the Members Restrictive Agreement for a Limited Liability Company**

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

## **Management Agreement**

Every LLC should enter into a written Management Agreement between the LLC and its Manager(s). The Management Agreement should be drafted in such a way so that it conforms with the provisions of the LLC Operating Agreement and, in addition thereto, it will:

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

The cost of the Management Agreement is just \$150, if ordered at the time of forming your LLC.

## **Non-Voting Membership 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 LLC. For example, as a founding Member, you may want to have all of the voting membership interests so as to participate in the management of the LLC and control its operations, while transferring all of the non-voting membership interests to others so that they may share in the appreciation value and earnings of the LLC. Also, it's likely you'll want to protect yourself with a Members Restrictive Agreement. Seasoned business-owners will instinctually recognize the value of such an agreement. We'll draft a special provision for your Articles of Organization and issue special certificates for non-voting membership interests. This item costs only an additional \$74.95 if ordered at the time of formation.

## **Dual Class LLC**

The Spiegel & Utrera, P.A. Lawyers Dual Class LLC is designed after IRS proposed regulations which allow an LLC to be deemed a partnership for Federal Income Tax purposes to have members/owners qualified as limited partners for Self Employment ("SE") tax purposes. The use by Spiegel & Utrera, P.A. of a Dual Class LLC ownership to distinguish between a manager and a non-manager class of ownership is used to allow the non-manager membership class to be treated as a limited partner class. More importantly, the Spiegel & Utrera, P.A. Dual Class LLC is structured to admit both active management providing members in addition to more passive, capital contributing members. For those LLC members who could qualify as both, they would own a portion of each class of the Spiegel & Utrera, P.A. Dual Class LLC.

The Spiegel & Utrera, P.A. Dual Class LLC is divided as follows:

*Class A General Member Units:* The smaller manager class receives a priority preferred return of income (for example, a management or sales fee arrangement) that is contingent on the profitability of the LLC. It may not be a fixed compensation amount or it will constitute a guaranteed amount which is prohibited.

*Class B Limited Member Units:* This portion of the LLC membership interests is the cash contributing members' interest and is structured as a non-manager class qualifying for limited partner status. This class receives a cumulative preferred-priority return of profits based on their unreturned capital contributions, whereas the smaller active manager class would not.

The cost of adding the additional features required of the Spiegel & Utrera Dual Class LLC is just \$300 for up to 4 members, additional members are \$50 each, if ordered at the time of forming your LLC and, as an added bonus, it includes the required Dual LLC Operating Agreement.

### **Dual Class Management Agreement**

Every Dual Class LLC must enter into a written Management Agreement between the LLC and its Manager(s); the Manager(s) are generally Class A member(s) of the Dual Class LLC. The Management Agreement should be drafted in such a way so that it conforms with the provisions of the Dual Class LLC Operating Agreement and, in addition thereto, it will:

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

The cost of the Management Agreement is just \$150, if ordered at the time of forming your Dual Class LLC.

### **Special Purpose Limited Liability Company for Self-Directed IRA Account**

The strategy for using a Spiegel & Utrera, P.A. Special Purpose LLC for Self-Directed IRA Account involves forming an LLC with the self-directed IRA as an owner (or "member") of the LLC. Funds are transferred to the LLC which, in turn, purchases and holds title to real estate. The creation of a self-directed IRA or IRA LLC enables you to choose what you would like to invest your money in. When you are the manager of an LLC, you have "checkbook control." That means that every time you are going to invest in a new property you don't have to have the custodian approve the transaction.

However, a special purpose LLC formed for a self-directed IRA owner has to comply with the Internal Revenue Code, Employee Retirement Security Act of 1974 (ERISA) and corresponding regulations. Such self-directed IRA owner is solely responsible for avoiding prohibited transactions and should seek the counsel of licensed attorneys and accounting professionals.

For example, if you, your wife and children have an existing LLC in which you are the only owners (e.g., 100% ownership by disqualified persons) then your IRA cannot invest in that LLC. You could, however, create a new LLC and have both your IRA and the existing LLC invest into it as founding members at the same time.

The cost of adding the additional features required of the Spiegel & Utrera, P.A. Special Purpose LLC for Self-Directed IRA Account is just \$634.90 for up to 4 members, additional members are \$50 each if ordered at the time of forming your LLC and, as an additional bonus, it includes the required Special Purpose LLC for Self-Directed IRA Account Operating Agreement.

### **Special Purpose Limited Liability Company for Self-Directed 401(k)**

Why Limit your 401(k) investments when you can have self-direction? A strategy involves forming a single-owner limited liability company ("LLC") with a 401(k) Plan. Plan funds would be used either to purchase real estate or other assets directly or to create a holding company which in turn would purchase such assets. When you are the administrator of the LLC's 401(k) Plan, you have "checkbook control". That means that every time you are going to invest in a new property you don't have to have the plan custodian approve the transaction. You will want to contact a financial advisor to help you select and set up the right 401(k) Plan for you.

The operating agreement for your LLC would allow your self-directed 401(k) Plan to choose what you would like to invest your money in. The operating agreement for the Special Purpose Limited Liability Company for Self-Directed 401(k) Account has to comply with the Internal Revenue Code, Employee Retirement Security Act of 1974 (ERISA) and corresponding regulations.

As a result of such laws, the 401(k) Plan cannot invest in foreign-owned assets or transactions involving a "disqualified person". Disqualified persons include the 401(k) account owner, the spouse of the 401(k) account owner, the 401(k) account owner's descendants, ascendants and spouses of descendants. That means a father, mother, grandfather, grandmother, son, daughter, grandson, and granddaughter of the 401(k) owner are disqualified. However, a brother, sister, uncle, aunt or cousin are not disqualified. Also the court in *Rollins V. Comm'r, T.C. Memo 2004-260*, ruled that a prohibited transaction was created when an entity that was owned partially by an IRA made a loan to another entity that was owned (33%) by the IRA owner! Of course, you should seek the counsel of licensed attorneys and accounting professionals before proceeding.

The cost of adding the additional features required of the Spiegel & Utrera, P.A. Special Purpose LLC for Self-Directed 401(k) is just \$634.90 for up to 4 members, additional members are \$50 each if ordered at the time of forming your LLC and, as an additional bonus, it includes the required Special Purpose LLC for Self-Directed 401(k) Operating Agreement.

### **SUBCHAPTER "S" TAX STATUS**

Since the LLC has more flexibility in the manner it can be taxed, it is strongly recommended that the LLC have at least two or more owners (members) at all times. The LLC may be taxed as a sole proprietor, a

partnership, a disregarded entity, a regular corporation, or an Sub-S Corporation. However, when you have a single member LLC, if you do not elect to be specifically taxed as a corporation, the IRS taxes you automatically as a sole proprietor. This option is not in your best interest, as you will have to file Schedule C to your personal IRS Form 1040 tax return which will automatically create a much higher chance of being audited and you will not have the opportunity to take as many tax deductions as an LLC taxed as a corporation.

If you are a single member LLC, and the single member is an individual who is a citizen or permanent resident of the United States of America, or a Sub-S Corporation, Spiegel & Utrera, P.A. can prepare the necessary documentation for you LLC to elect to be taxed as a Corporation. We will also prepare the necessary documentation for your LLC to be taxed as an S Corporation, in order to receive the maximum tax benefits available to you. The fee for our office to prepare all your documentation is \$125.

If you are a single member LLC and the single member is an individual who is not a citizen or permanent resident of the United States of America, nor a Sub-S Corporation, our office can prepare the necessary documentation for your LLC to elect to be taxed as a Corporation. The fee for our office to prepare all your documentation is \$50. If you instead wish to be taxed as a partnership, then we would recommend that you consider adding another member, it could be a parent, a sibling, a child, or perhaps from another corporation to be the other member. The other member could have a very small percentage of ownership interest in the LLC and you could limit the second owner's ability to vote, it is therefore also important to prepare and enter into an Operating Agreement between the members and LLC to clearly spell out all the terms and conditions.

## **TAX RELATED**

### **Federal Tax ID Number**

The equivalent of a social security number for an LLC. You will need it to operate your business and open a bank account for the LLC. We can obtain this number for you and the advantage of allowing us to get it for your LLC, is that we will deliver it with your LLC 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.

### **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.

## **NEW YORK BUSINESSES**

### **New York New Hire Reporting**

Federal law requires all New York 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. **The penalty for failure to timely report newly hired employees**

**or for failure to file a report showing the required information is \$20, per each newly hired employee.** If the failure to report is a result of a conspiracy between the employer and employee, **the penalty will be \$450, multiplied by the number of employees not reported or the number of false or incomplete reports filed.** We can provide you with a package of 6 New Hire Registration Forms for \$35. The forms are customized with your LLC's information, and you may re-use them for each person you employ.

### **New York Unemployment Tax Account Number**

This number is used to withhold New York 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 documents for this account number for you and deliver it with the LLC. The cost at the time of forming your LLC is only \$35.

### **New York Sales Tax Number and Certificate of Authority**

If you sell goods or taxable services, this is your sales tax account number with the State of New York as well as the Certificate of Authority to charge Sales Tax in New York State. This account number also allows you to buy goods for resale or export and not pay any State sales tax. Once you obtain a Sales Tax Account Number, you are registered as a Sales Tax Vendor in New York State. The fee to initiate the documents for you to obtain this number is \$35 when ordered at the time of forming your LLC.

### **New York Purchaser's Blanket Resale & Exemption Certificates**

State and local tax laws require that vendors maintain properly executed Exemption Certificates given to them in good faith by all of their customers who claim New York 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 for which you are 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 LLC.

## **PROTECT YOURSELF!**

### **Indemnification Agreement and Covenant Not to Sue**

We strongly recommend that you include special provisions in your Articles of Organization and additional agreements which trigger this important protection requiring the LLC to indemnify and hold harmless its Managers and Members from any actions they take on behalf of the LLC. If a Manager or Member is ever sued for actions taken on behalf of the LLC, these provisions require that the LLC be held responsible, as agreed upon by the Managers and Members and the LLC. These important provisions and agreements cost only an additional \$75 if ordered at the time of formation of your LLC.

### **Lender's Agreement & Promissory Note**

Initially an LLC needs a cash infusion. Additionally, the LLC may require a continuing advance of funds for some time. Its important to minimize the amount of money a member is required to pay for the membership in the LLC because the members could be held personally liable by the LLC and/or the creditors of the LLC for not contributing all the funds the members had initially agreed to contribute to the LLC. How does the LLC get the money? After the initial purchase of its membership interests,

generally, the LLC has two choices for obtaining additional money: (1) members can contribute additional funds for their membership interest (not the preferred method as previously stated) or (2) loan money to the LLC. Lending money to the LLC is the preferred method to advance money to the LLC because the lender is seen as a creditor of the LLC. The lending of money to the LLC 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 LLC and also provide for future advances of money the lender might make to the LLC. 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 LLC, is only \$75.

### **Security Agreement for LLC**

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 company 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 LLC, 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 LLC.

### **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 of 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 or sale of real property.

**Business Purchase Reviews:** 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.

**Have you considered:**

- 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

## **SHIPPING INFORMATION**

### **TAX SAVING LEASE AGREEMENTS**

#### **Home Office Lease**

Agreement detailing the leasing of office space by a homeowner or tenant with a LLC for use as the LLC'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 LLC, 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 LLC. 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 LLC.

#### **Office Equipment Lease**

A lease which details the leasing of office equipment by a business. Once again, by leasing equipment to the LLC, you create a legitimate business expense for the LLC 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 LLC.

## **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. Normally, the cost of ordering this service is \$167.95. The cost of the Employee Benefits and Policies will be **just \$29.95 if ordered now with the formation of your company.**

## Employment Agreement

If you are using employees for your LLC, it is important to have a written Employment Agreement to document the conditions of Employment. An Employment Agreement can be very advantageous for an LLC and should be required for all employees, whether new or existing. It creates a clear understanding of the arrangement between the employee and the LLC 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 LLC for a specific period of time after leaving its employment
- It prohibits the employee from disclosing any of the LLC'S business records, computer data, trade secrets, methods of operation, et cetera;
- It prevents the employee from soliciting customers or clients of the LLC; and
- It prevents an employee, after leaving the LLC's employment, from soliciting the LLC's employees to work elsewhere.

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

## 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 LLC 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 LLC for a specific period of time after the project is completed;
- It prohibits the Contractor from disclosing any of the LLC's business records, computer data, trade secrets, methods of operation, et cetera;
- It prevents the Contractor from soliciting customers or clients of the LLC; and
- It prevents the Contractor, after leaving the LLC, from soliciting the LLC's employees to work elsewhere.

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 Company for only \$150 if ordered at the time of forming your LLC.

## **SHIPPING INFORMATION**

Company Packages generally weigh approximately 4 pounds and are available for Pick up at our office or may be shipped to you via Ground (2-3 business day) Service for a charge of \$17.95 or via Overnight Delivery for a charge of \$30.95. Please note, shipping and handling charges outside New York will vary.

## **SPEED OF SERVICE OPTIONS**

### **REDDI LLC**

If you need a LLC immediately, we have companies, which are ready for immediate delivery. For more information and a complete list of all our Reddi or Shelf LLC's call our office at (800) 576-1100 for details.

### **2 BUSINESS DAY LLC**

If you need your LLC formed urgently, for an additional \$175 (due to higher State Filing Fees), we can expedite the registration of the LLC and preparation of the LLC Records and the LLC Package will be ready in **2 business days**, after receipt of payment. We also have Same Day Service available, inquire when placing your order.

### **4 BUSINESS DAY LLC**

If you need to form your LLC fast, we offer a 4 Business Day LLC Service for an additional \$100. We will expedite the registration of the LLC and preparation of the LLC Records and the LLC Package will be ready in **4 business days**, after receipt of payment.

### **TWO WEEK GUARANTEE LLC**

Your LLC documents will be ready exactly **two weeks** from the day you place your order for an additional \$75.

**REGULAR SERVICE** The regular processing time for an LLC is **approximately 4-5 weeks**. The LLC Package includes all the documents and the LLC Seal.

### **An Important Note about our RUSH SERVICES**

We offer two levels of rush service. When you opt for one of our rush services, we guarantee to promptly deliver your Limited Liability Company to the State for processing, however, if the State is backlogged, you may experience a delay in receiving your documents. We strive to have all rush orders ready as soon as humanly possible, however if time is of the essence you may opt for one of our Reddi LLCs which are ready for immediate delivery.

**OTHER SERVICES:** *Please call for pricing and ordering.*

**Voting Trust:** Allows a group of members/owners in an LLC to vote as a unit.

**Membership Interest Options:** Provides the opportunity to purchase LLC membership interests from a LLC at a pre-determined price and is frequently used to control a block of ownership.

**Trademark:** Protection of a name, symbol, or slogan used by an LLC.

**Copyright:** Protection of literary, dramatic, musical, or artistic works.

**Franchise Agreement Review:** Review of agreements associated with the purchase of a franchise.

**NEW YORK CITY OFFICE**

Call:	212-962-1000
Toll Free:	800-576-1100
Fax:	212-964-5600

**LONG ISLAND OFFICE**

Call:	516-338-9100
Toll Free:	888-797-6200
Fax:	516-338-9200