

FLORIDA VOTING TRUSTS

A voting trust is a device for combining the voting power of shareholders. It is not unlawful for shareholders to combine their voting stock for the election of directors so as to obtain or continue the control or management of a corporation. Florida Statutes limit the duration of voting trusts to a period of ten years. In order to avoid the invalidation of a voting trust, the applicable statutes should be strictly complied with.

USE OF VOTING TRUSTS:

There are various situations in which a voting trust agreement may be used. It may be used when several shareholders wish to vote their respective stock as a unit. It also may be used for the special purpose of protecting corporate creditors. The general plan of a voting trust is controlled by the voting trust agreement, then the shareholders endorse their stock certificates to the voting trustee. The voting trustee surrenders these certificates to the corporation and the voting trustee receives in return new certificates issued in the name of the voting trustee, and the voting trustee votes the shares as principal, rather than as agent as in the case of proxies.

TAXABILITY:

For tax purposes, the voting trust certificate takes the place of the stock it represents. Tax transactions with respect to voting trust certificates are treated as transaction affecting the stock.

A voting trust is not an association taxable as a corporation, because in itself it is not an enterprise for the carrying on of business for profit.

The Voting Trust could be a useful tool for your corporation, so please feel free to call your nearest Spiegel & Utrera office for more information.

If you have any questions, please call a Spiegel & Utrera office listed below:



www.amerilawyer.com

MIAMI, FL		FT. LAUDERDALE, FL	
CALL:	305-854-6000 800-603-3900	CALL:	954-630-9800 800-465-8500
FAX:	305-447-8900	FAX:	954-561-7900
TAMPA, FL		NEW YORK, NY	
CALL:	813-871-5400 800-658-5900	CALL:	212-962-1000 800-576-1100
FAX:	813-870-2500	FAX:	212-964-5600