

DELAWARE Easy Order LLC Fax Form

Photocopy this form and Fax to: 1 888-515-9700 or (302) 674-2100 If you wish to confirm receipt call: Toll Free 1 (888) 641-3800

Date: _____ How did you first hear of Spiegel & Utrera, P.A.? _____

Your name: _____

Your phone number: (____) _____ Your fax number: (____) _____

Email address: _____

Your address: _____

Address for delivery of corporate documents: _____
(if different from above)

CORPORATE NAME:

1st choice: _____

2nd choice: _____

The name may end with Incorporated, Corporation or Company, or may be abbreviated using Inc., Corp., or Co.

NATURE OF BUSINESS: _____
(Briefly describe what the corporation will do)

ADDRESS OF CORPORATION: _____

MAILING ADDRESS: _____
(If different from above address)

SHAREHOLDERS: (Only one is required—if the Owners are Foreign Nationals a legible Copy of their passports must be attached)

| <u>Names</u> | <u>Address</u> | <u>Telephone/Fax</u> | <u>Percentage of Ownership Interest</u> |
|--------------|----------------|----------------------|---|
| 1. _____ | _____ | _____ | _____ % |
| 2. _____ | _____ | _____ | _____ % |
| 3. _____ | _____ | _____ | _____ % |
| 4. _____ | _____ | _____ | _____ % |

(Must add up to 100%)

DIRECTORS: (Must be 18 years or older)

| <u>Names</u> | <u>Address</u> | <u>Telephone/Fax</u> |
|--------------|----------------|----------------------|
| 1. _____ | _____ | _____ |
| 2. _____ | _____ | _____ |
| 3. _____ | _____ | _____ |
| 4. _____ | _____ | _____ |

OFFICERS (Must be at least 18 years of age. List complete name)

| <u>Names</u> | <u>U.S. Social Security Number</u> | <u>Address</u> | <u>Telephone/Fax</u> |
|-------------------------------|------------------------------------|----------------|----------------------|
| 1. President: _____ | _____ | _____ | _____ |
| 2. Secretary: _____ | _____ | _____ | _____ |
| 3. Treasurer: _____ | _____ | _____ | _____ |
| Any Vice-President (s): _____ | _____ | _____ | _____ |

(You may have as many as you like)

OPTIONAL SERVICES

General Counsel & Registered Agent Service

Our firm has what we call the "General Counsel Service". For an annual fee of only \$139.95, 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 corporation's Annual Meeting of Shareholders or Directors or your LLC's Annual Meeting of Members or Managers; our firm will comply with all statutes and applicable laws relating to your corporation's or LLC's Registered Agent & Registered Office; our firm will review all mandatory State corporation or LLC filing documents as required by the Secretary of State; our firm will act as your corporations' or LLC's General Counsel; 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. Select this valuable service at the time of ordering your corporation or 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.

Detours and Contradictions

Want more out of your corporation? 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 \$16.50 but if you order when forming your corporation, the price is just \$13.50, almost a 20% saving. PLUS there is no extra charge for shipping, handling and processing as your book will be shipped with your corporation. **Also, as an added bonus, your copy of Detours and Contradictions will be personally autographed by Lawrence J. Spiegel.**

Service Agreement

If your Corporation 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 corporation. 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.

TAX RELATED

Federal Tax ID Number

The equivalent of a social security number for a 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.

Delaware Business Registration

Whenever a LLC is filed in the State of Delaware, the LLC is required to file a Delaware Business Registration to obtain a Delaware Business License. We can initiate the documentation to register your business for you and deliver it with the LLC. The cost at the time of incorporating is \$100.

Delaware Department of Labor Registration

This is used to withhold Delaware Unemployment Taxes from your LLC's payroll. Generally, any employer who (a) pays wages of \$1,500 or more during any calendar quarter or (b) employ at least one person 20 days during such calendar year, must register and pay unemployment taxes on those wages. If you have any employees on the payroll, including yourself, you will need to register. We can initiate the paperwork for this registration for you and deliver it with the LLC. The cost at the time of incorporating is only \$35.

Delaware New Hire Reporting

Federal law requires all Delaware 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. 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.

SINGLE MEMBER LLC OPTIONS

Since the LLC has more flexibility in the manner it could 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 LLC, or a Sub-S Corporation. However, when you have a single member limited liability company, 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 with your personal IRS form 1040 tax return which will have a much higher chance of being audited and you will not have the opportunity to take as many tax deductions as a 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, our office can prepare the necessary documentation for you LLC to elect to be taxed as a Corporation. We will also prepare the necessary documentation for the 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 by forming 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 their 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 between the members and the LLC.

Operating agreement

Each Limited Liability Company should have a well drafted Operating Agreement. This agreement is entered into by the LLC and the Owners to define their duties and responsibilities to each other and to the LLC. It is like a partnership agreement between the Owners. 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 multi member LLC's if prepared in conjunction with your LLC formation process.

Just look at it's many provisions:

- provides a frame work for the settlement of disputes between owners;
- prevents an owner from selling his ownership interest to a third party without first offering it to existing owners;
- provides a framework for the purchase of ownership interests by the remaining owners in the event a owner dies, or becomes disabled;
- preventing a owner from competing against the LLC both now and as an ex-owner for a stated period of time;
- requires owners to maintain the confidentiality of all customer names and other LLC records;
- prevent an owner from impairing the goodwill of the LLC; and
- prevent an owner from soliciting customers of the LLC except for the LLC's 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 LLC. Remember the old adage, "An ounce of prevention is worth a pound of cure."

Dual Class LLC

The Spiegel & Utrera, P.A. Lawyers Dual Class LLC is designed after IRS proposed regulations which allow an LLC to be

**Questions? Please call our Dover, DE Office
Toll Free 1 888 641 3800 / Local 302 744 9800
9 East Lookerman Street, Suite 3A, Dover, DE 19901**

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 \$399.95 if ordered at the time of forming your LLC and, as an added bonus, it includes the required Dual LLC Operating Agreement.

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.

Series LLC

Delaware allows a limited liability company to establish a designated series of members, managers or limited liability company interests, each having separate rights, powers or duties with respect to specified property of the LLC, which permits separation of ownership and liability for different business lines while retaining unified management. By doing so, each series can be treated, in many important respects, as if it is a distinct LLC, restricting creditors' legal recourse to the assets of that series alone. Each of the series of assets in a series LLC can operate independently of the LLC in general and any other series and avoid their liabilities. The fee for our office to add the Series LLC feature to your LLC is is \$100.

Series LLC Operating Agreement.

The Series LLC Operating Agreement is entered into by the owner(s) and the LLC. The Series LLC Operating Agreement is designed to take advantage of the Series LLC concept, this Operating Agreement may create one or more series of interests, which will allow diverse business objectives. Furthermore, the Operating Agreement can provide for the future creation of additional classes or groups of members or managers not previously outstanding within a series and also can provide for the taking of any action including the amendment of the LLC Operating Agreement, without the vote or approval of any member or manager or class or group of members or managers. A draft of this Agreement will be prepared as part of our service so that 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 \$2,000 or more. However, your cost is only \$349.95 if prepared in conjunction with the LLC formation process. Please note that the \$349.95 includes one series, additional series are \$100.00 extra and you may discuss additional series with a member of our staff when finalizing your order.

PROTECT YOURSELF!

Indemnification Agreement

We strongly recommend that you include special provisions in your Articles of Incorporation and Corporate paperwork which significantly increase the Officers' and Directors' protection in the Corporation and which require the Corporation to indemnify and hold harmless its Directors and Officers from any actions they take on behalf of the Corporation. If a Director or Officer is ever sued for actions taken on behalf of the Corporation, these provisions hold the Corporation responsible, as agreed upon by the Directors and Officers. Adding these provisions costs only an additional \$75. if ordered at the time of Incorporation.

Lender's Agreement & Promissory Note for Corporation

Initially a corporation needs a cash infusion. Additionally, the corporation may require a continuing advance of funds for some time. How does it get the money? After the initial purchase of shares of the corporation for at least their par value, generally, the corporation has two choices on obtaining additional money; (1) shareholders pay for their initial shares in excess of their par value thereby creating excess Paid-in Capital or (2) loan money to the corporation. Lending money to the corporation is the preferred method to advance money to the corporation because the lender is seen as a creditor of the corporation. The lending of

money to the corporation 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 corporation and also provide for future advances of money the lender might make to the corporation. In the event of failure of the business, the loan will be fully tax deductible by the lender as a bad debt. Additionally, the lender may take this concept one step further and secure his or her loan to the corporation by using a Security Agreement. The Security Agreement is much like a mortgage generally securing all the assets of the corporation and the Security Agreement can be recorded to perfect the lien the lender may have against any other subsequent creditors of the corporation. The fee for a Lender's Agreement and Promissory Note for your Corporation at the time of incorporating is \$75.

Security Agreement for Corporation

Yes, I would also like to order the Security Agreement to go along with the Lender's Agreement and Promissory Note, the Security Agreement, if ordered at time of incorporation, is an additional \$75.

SPEED OF SERVICE OPTIONS

REGULAR SERVICE

The Company Package is complete and includes Certificate of Organization, By-Laws, Company Book, Company Seal, Preliminary Name Search, State Filing Fees, and Attorneys Fees. Any additional documents or agreements you may order will also be delivered with your Company Records book. We complete your paperwork the same day you place your order and speak with us. Then your documents are immediately sent to the State of Delaware for filing. The State of Delaware 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 4 to 6 weeks. So if you need your company sooner select one of our expedited services. If you need your company sooner, you have two choices, either a REDDI CORP or an EXPEDITED CORPORATION.

SAME DAY LLC SERVICE

If you need your LLC formed very urgently, for an additional \$770 (due to higher state filing fees) we can expedite the registration of the LLC and the preparation of the LLC records and the LLC package will be ready the same day. Please be aware that your order must be finalized with full confirmed payment and oral communications between yourself and our office prior to 1:00 p.m., Delaware time, the day of shipment.

QUICK LLC Next Day Service

If you need your Company formed urgently, for an additional \$200, we can expedite the registration of the Company, the preparation of the Corporate Records and the Corporate Package will be ready on the **next business day**.

FAST LLC 3 Day Service

If you need to incorporate fast, we offer a 3 Day Incorporation Service for an additional \$125. We will expedite the registration of the Company, the preparation of the Corporate Records and the Corporate Package will be ready on the **4th business day**.

SHIPPING INFORMATION

Company Packages generally weigh approximately 4 pounds and are available for Pick up at our office or may be shipped to

Questions? Please call our Dover, DE Office
Toll Free 1 888 641 3800 / Local 302 744 9800
9 East Lookerman Street, Suite 3A, Dover, DE 19901

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 Delaware will vary.

Apostille

A Notarized copy of the Articles of Incorporation is \$ 160. This is usually used to provide proof of Incorporation when doing business with Foreign Countries.

EMPLOYEES / INDEPENDENT CONTRACTORS

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 Corporation 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 Corporation for a specific period of time after leaving its employment.
- It prohibits the employee from disclosing any of the Corporation's business records, computer data, trade secrets, methods of operation, et cetera.
- It prevents the employee from soliciting customers or clients of the Corporation.
- It prevents an employee, after leaving the Corporation's employment, from soliciting the Corporation's employees.

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 Corporation is given substantial clout in preventing an employee from joining a competitor, or competing against the Corporation and disclosing business secrets to anyone. The Agreement may be re-used by the Corporation 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 Company 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 Company for a specific period of time after the project is completed.
- It prohibits the Contractor from disclosing any of the Company's business records, computer data, trade secrets, methods of operation, et cetera.
- It prevents the Contractor from soliciting customers or clients of the Company.
- It prevents the Contractor, after leaving the Company, from stealing the Company'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 this Free Faxback Service. We can provide an Independent Contractor's Agreement that covers all the legal requirements and many business advantages for your Company for only \$150.

TAX SAVING LEASE AGREEMENTS

Home Office Lease

Agreement detailing the leasing of office space by a homeowner or tenant with a Corporation for use as the Corporation'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 Corporation, and as an added bonus to our clients, we draft the Lease in such a manner that it is automatically renewable.

Motor Vehicle Lease

**Questions? Please call our Dover, DE Office
Toll Free 1 888 641 3800 / Local 302 744 9800
9 East Lookerman Street, Suite 3A, Dover, DE 19901**

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 Corporation. The typical tax savings under this type of arrangement ranges between \$1,500. and \$3,000. per tax year. We can prepare the lease for only \$150. when ordered with your Corporation.

Office Equipment Lease

A lease which details the leasing of office equipment by a business. Once again, by leasing equipment to the Corporation, you create a legitimate business expense for the Corporation and a Tax Deduction. Typically, the tax savings under this type of arrangement can exceed \$1,000. per tax year. The cost for an Office Equipment Lease is only \$150. when ordered with your Corporation.

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 our Los Angeles office 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.

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

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

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 buildout costs
- Signage Protection
- Change of Control of Tenant

