

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 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.

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.

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

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.

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9 East Loockerman Street, Suite 3A, Dover, DE 19901**

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 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 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 \$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

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