

ILLINOIS Easy Order Limited Liability Company Fax Form

Photocopy this form and Fax to: 1-888-799-1700 or (312) 443-8900. If you wish to confirm receipt call: Toll Free 1-888-514-9800

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)

COMPANY NAME: _____

1st choice: _____

2nd choice: _____

3rd choice: _____

The name must end with Limited Company or Limited Liability Company or may be abbreviated L.C. or LLC

NATURE OF BUSINESS: _____

(Briefly describe what the Company will do)

ADDRESS OF COMPANY: _____

MAILING ADDRESS: _____

(If different from above address)

County where principal office is located: _____

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

<u>Names</u>	<u>U.S. Social Security Number</u>	<u>Address</u>	<u>Capital Contribution</u>
1. _____	_____	_____	\$ _____
2. _____	_____	_____	\$ _____
3. _____	_____	_____	\$ _____
4. _____	_____	_____	\$ _____

Total Capital Contributions from all Members of the LC: \$ _____

MANAGERS:

<u>Names</u>	<u>U.S. Social Security Number</u>	<u>Address</u>	<u>Telephone/Fax</u>
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
5. _____	_____	_____	_____
6. _____	_____	_____	_____

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 Company'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 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 \$16.50 but if you order when forming your LLC, 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 LLC. **Also, as an added bonus, your copy of Detours and Contradictions will be personally autographed by Lawrence J. Spiegel.**

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.

TAX RELATED

Federal Tax ID Number --The equivalent of a social security number for a Company. You will need it to operate your business and open a bank account for the Company. We can obtain this number for you and the advantage of allowing us to get it for your Company, is that we will deliver it with your Company for only \$35., so you may open your bank account immediately.

Illinois Business Registration -- Whenever a Company is filed in the State of Illinois, the Company is required to file for Illinois Business Registration to be registered for all applicable taxes. These taxes include sales tax, business income tax and withholding tax. You may not be able to conduct business if you are not properly registered with the State. We can initiate the documentation to register your business for you and deliver it with the Company. The cost at the time of incorporating is \$75.

Illinois New Hire Reporting Form -- All Illinois employers are required to report basic information about employees, who are newly hired, rehired, or who return to work after a separation of employment. You must submit a report for each newly hired employee **within 20 days** of their first day on the payroll. We can provide you with a package of 6 New Hire Registration Forms for \$35. The forms are customized with your Company's information, and you may re-use them for each person you employ.

Illinois Unemployment Insurance -- The state of Illinois requires that every employer file a report to determine liability under the Unemployment Insurance Act. This report must be filed within 30 days of the date the business commences

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operation. If you have any employees, including yourself, you will need to file this report. We can initiate the documentation the state requires and deliver it with the corporation for only \$35.

Illinois Resale Certificates – State and local tax laws require that vendors have in their files properly executed Resale Certificates given to them in good faith by all of their customers who claim Illinois Sales Tax Exemption. We can prepare a set of Exemption Certificates for you to give to vendors from whom you intend to buy goods either for resale. The fee for a set of 6 reusable Resale Certificates is only \$35 when ordered in conjunction with the Company.

Single Member LLC for U.S. Citizens or Permanent Residents.

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.

Single Member LLC for NON U.S. Citizens or Permanent Residents.

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.

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 \$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.

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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.

SPEED OF SERVICE OPTIONS

REGULAR SERVICE -- The regular processing time for a Company is approximately two to six weeks depending on the State's work flow schedule. The Corporate Package is complete and includes Articles of Organization, Regulations, Certificate of Interest, 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 in your Company Records Book.

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

REDDI CORP -- If you need a Corporation immediately, we have Illinois Corporations, which are filed and ready for immediate delivery. Fees vary, please call our office for details.

2 DAY SERVICE -- If you need your Company formed urgently, for an additional \$250., we can expedite the registration of the Company and preparation of the Corporate Records and the Company Package will be ready on the **2nd BUSINESS DAY**.

4 DAY RUSH SERVICE -- If you need to incorporate fast, we offer a 3 Business Day Service for an additional \$175. We will expedite the registration of the Company and preparation of the Company Records and the Company Package will be ready on the **3rd business day**.

PROTECT YOURSELF!

Indemnification Agreement and Covenant Not to Sue -- We strongly recommend that you include special provisions in your Articles of Organization and additional Company agreements which trigger this important protection requiring the Company to indemnify and hold harmless its Directors and Officers from any actions they take on behalf of the Company. If a Director or Officer is ever sued for actions taken on behalf of the Company, these provisions require that the Company be held responsible, as agreed upon by the Directors and Officers and the Company. These important provisions and agreements cost only an additional \$75. if ordered at the time of organization.

Lender's Agreement & Promissory Note Generally, members of an LLC must note in their Corporate Records book, their initial capital contributions to determine their membership interest in the Limited Liability Company. We strongly recommend that our clients minimize contributions made into their LLC since the possibility exists that they could be held personally responsible for failure to make that initial capital contribution. One of the ways to put additional money into the LLC and still have a leg up on creditors is to enter into a lender's agreement and promissory note.

This allows Owners to designate funds advanced to the company as loans instead of capital contributions. By executing a Lender's Agreement and Promissory Note immediately after organizing, you can allow for initial and future advances of funds to the company and these funds would be considered money owed to the members by the LLC instead of being considered capital contributions. The fee for a Lender's Agreement and Promissory Note at the time of incorporating is only \$75.

Operating Agreement -- If your Company has more than owner, we **strongly recommend** you enter into an Operating Agreement. This agreement is entered into by the Owners to define their duties and responsibilities to each other and to the Company. 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 of the Operating Agreement is only \$99.95 for a single member LLC or \$149.95 for a multi member LLC if prepared in conjunction with the formation of your LLC.

The Operating Agreement contains many important provisions:

- Provides a framework for the settlement of disputes between Owners.

- Prevents a 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 interest by the remaining Owners in the event a Owner dies, or becomes disabled.
- Prevents a Owner from competing against the Company both now and as an ex-Owner for a stated period of time.
- Requires shareholders to maintain the confidentiality of all customer names and other corporate records.
- Prevents a Owner from impairing the goodwill of the Company.
- Prevents a Owner from soliciting customers of the Company except for the Company'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 company with multiple owners. Remember the old adage, "An ounce of prevention is worth a pound of cure."

TAX SAVING LEASE AGREEMENTS

Home Office Lease

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

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 Company. 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 Company.

Office Equipment Lease

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

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 Company and provides protection for the business.

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

The Employment Agreement is prepared in such a way that you can use it over and over again to avoid additional costs in the future. By having this Employment Agreement, the Company is given substantial clout in preventing an employee from joining a competitor, or competing against the Company and disclosing business secrets to anyone. The Agreement may be re-used by the Company 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 our 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.

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 a complete lease review which includes a written analysis for only \$350. 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:

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

In our review we address issues such as:

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

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