

THANKS FOR INQUIRING!

Just think - you can form a Limited Liability Company right over the phone, or online. It's easy. It's quick. And you'll save a substantial amount of money.

Listen, we are glad you inquired about our services regarding the formation and registration of a Company in the State of Nevada. In our experience, the most **tax advantageous** type of company for Non Residents of the United States is the Limited Liability Company (in some Countries this is referred to as "Sociedad de Responsabilidad Limitada). Similar to a Sub Chapter S Corporation for Citizens of the U.S., in a Limited Liability Company, the earnings flow directly to the owners, thereby eliminating Corporate Income Taxes. A regular corporation would be subject to Federal Corporate Income Tax in addition to the State Corporate Income Tax.

Let us explain:

The Limited Liability Company which chooses to be taxed as a Partnership, (hereinafter the "LLC") is **exempt from Federal Corporate Income Taxes**. In recent years, the LLC has become a very popular form of business due to this tax advantage.

For Example:

Regular Corporate Status:Taxable Income **\$1,000,000.00****Less Corporate Tax \$340,00.00**Distribution to Owners **\$660,000.00****Limited Liability Company Status:**Taxable Income **\$1,000,000.00****Less Corporate Tax \$0.00**Distribution to Owners **\$1,000,000.00**

We will form your Limited Liability Company under the personal direction of a qualified attorney who makes certain that all requirements are met.

For one low fee of \$299.95 you get...

- **Articles of Organization**
- **Corporate Charter**
- **Company Minutes**
- **Corporate Kit**
- **Membership Certificate**
- **Company seal**
- **And a preliminary name search.**

Included in this fee are the attorney's fee and the State of Nevada filing fee.

The main advantage of the LLC is that it is not burdened with the numerous restrictions imposed on an S corporation. An LLC may have more than 75 members; and as few as one. Its Membership interests may be held by corporations, partnerships, Non Resident Aliens, trusts, pension plans and charitable organizations; the LLC may make special allocations, thereby avoiding the single class of stock requirement applicable to S corporation; and it may own more than 80% of the stock of a corporation and, therefore, may be a member of an affiliated group. When forming an LLC, we strongly recommend the owners obtain the maximum protection permitted by current Laws. The best way to protect yourself is to enter into an Indemnification Agreement and Operating Agreement at the time of the filing of the LLC.

For example, you may include in your Articles of Organization a special provision to protect the officers from any actions they take on behalf of the Company called Indemnification. With an Indemnification Agreement, the LLC agrees to indemnify and hold harmless its Operating Managers (those who act as agents of the LLC and represent the LLC's interest in day to day business transactions).

Once the Indemnification Provisions are in effect, the LLC is responsible should there be any legal action taken against its representative for actions taken on behalf of the LLC. In other words, the Company would have to pay any legal fees or liabilities assessed against its Management Staff. The Indemnification Agreement is only \$75.00 when ordered at the time of Organization. Under current Nevada law, an **Operating Agreement is required**. The Operating Agreement sets forth, the business of the Limited Liability Company, its general operation and conduct of its affairs including its rights, powers, preferences, limitations or responsibilities of its members, managers, employees or agents.

For your convenience, we have attached a detailed explanation of the Limited Liability Company Structure, and brief descriptions of some of the most important items. Should you have any questions regarding this matter, please do not hesitate to contact our office by phone at 702-364-2200, toll free at 1 888 530-4500, fax 702-458-2100 or via e-mail at email@amerilawyer.com.

Good luck with your business!

Spiegel & Utrera Staff

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Limited Liability Company Detailed Explanation:

The LLC is a hybrid entity that is taxed as a partnership while providing limited liability protection for all of its members. For federal tax purposes, an LLC, like a partnership, is a pass-through entity; thus, its income and losses are taxed only at the member level. It may be composed of only one member or more than one owner. However, all members of an LLC, like the shareholders of an S corporation, have limited liability for the LLC's debts and claims against the LLC. No member will be burdened with the personal liability of a general partner.

An LLC taxed as a partnership may also have advantages over an S corporation with respect to the amount of deductible losses. The amount of an S corporation shareholder's deductible losses is limited to the sum of the shareholder's basis in his stock and any loans from the shareholder to the corporation. In contrast, a partner can deduct losses in an amount up to the sum of his basis in the partnership interest, his allocable share of partnership income, and his allocable share of qualifying partnership debt.

How the taxes work is simple. For example, each of 10 individuals contribute \$100,000 to a newly formed entity to acquire an office building. The entity borrows from a bank an additional \$5,000,000 as the balance of the building's \$6,000,000 purchase price. If the entity is taxed as an S corporation, each shareholder's loss deductions are limited to \$100,000. However, if the entity is an LLC taxed as a partnership, each member can deduct losses up to \$600,000 (\$100,000 basis plus \$500,000 share of entity's debt). These losses may then be used by the individuals to offset other income they may have from other sources.

SPIEGEL & UTRERA, P.A. is your **one** source for business legal services.

If your Company has more than one 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 Agreements 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 \$249.95 if prepared in conjunction with the incorporation process.

Just look at it's many provisions:

- Provides a framework for the settlement of disputes between owners.
- Prevents an owner from transferring the owner's Membership Interest to a third party without first offering it to existing owners.
- Provides a framework for the purchase and transfer of an ownership interest in the Company by the remaining Members in the event a Member dies, or becomes disabled.
- Prevents an owner from competing against the Company 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 Company records.
- Prevents an owner from impairing the goodwill of the Company.
- Prevents an 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."

Once your Limited Liability Company order is received, one of our attorneys will contact you directly to discuss any further questions you may have.

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.

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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.

TAX RELATED OPTIONS

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.

Nevada Unemployment Tax Registration

This number is used to withhold Nevada 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 paperwork for this account number for you and deliver it with the Company. The cost at the time of incorporating is only \$35.

Nevada Sales Tax Number

If you sell goods or taxable services, this is your Seller's Permit and Registration as a retailer with the State of Nevada. This account number also allows you to buy goods for resale or export and not pay any State sales tax. The fee to initiate the paperwork for you to obtain this number is \$35. when included as part of your incorporation package.

Nevada Retailer's Resale & Exemption Certificates

State and local tax laws require that vendors have in their files properly executed Exemption Certificates given to them in good faith by all of their customers who claim Nevada 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 to be 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 Company.

Nevada New Hire Reporting

Federal law requires all Nevada employers 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. **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 Corporation's information, and you may re-use them for each person you employ.

SPEED OF SERVICE OPTIONS

REGULAR SERVICE

The regular processing time for a Company is approximately four to six weeks depending on the Nevada Department of State processing schedule. The Company Package includes all the documents ordered and the Corporate Seal.

SHIPPING INFORMATION

Corporate Packages generally weigh approximately 4 pounds and are available for Pick up at our office or may be shipped to your 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 Nevada will vary.

QUICK LLC

If you need your Company formed urgently, for an additional \$275, we can expedite the registration of the Company and preparation of the Corporate Records and the Corporate Package will be ready on the **3d business day**. Without additional charge, on the second business day, we will fax your articles of incorporation and, if ordered, your Federal Tax I.D. number.

FAST LLC

If you need to incorporate fast, we offer a 4 Day Incorporation Service for an additional \$200. We will expedite the registration of the Company and preparation of the Corporate Records and the Corporate Package will be ready on the **4th business day**.

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PROTECT YOURSELF!

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.

Indemnification Agreement

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

Apostille

A Notarized copy of the Articles of Organization is \$ 275. 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 Company 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 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.

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.

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For a detailed explanation of the Benefits of using Independent Contractor's 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 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.

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 Reviews: 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

DBA – DOING BUSINESS AS...

Will you be doing business under the exact name of the Company?

If the Company will be doing business under a name other than it's legal name, a Fictitious Business Name or DBA (Doing Business As) must be registered according to current Nevada Law. We can initiate the documentation to register a DBA for you in conjunction with the incorporation process. We will ensure compliance with all applicable laws. Filing Fees vary per county, please call our office for more details.

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