

October 2008

CORPORATE LAW ALERT BEWARE OF "CORPORATE COMPLIANCE" NOTICES

For many years, businesses have been receiving in the mail formal looking "notices" and forms from entities located in Albany (or other state capitals), designed to appear as if sent by a governmental department or agency (a sample is attached). These "notices" generally quote the text of a statute which sets forth general rules regarding corporate record keeping, meeting requirements and other "housekeeping" functions, and advise the recipients to submit an "annual fee" to the sending entity to assure "compliance" with the quoted statute. Because the notice looks "official", and the amount involved is generally relatively small (\$125-\$150), the recipient frequently fills out the form and sends in the "fee" with little thought.

Over the years, some clients have periodically contacted us to inquire as to the legitimacy of these "notices" and we have advised them that compliance was not required. We have recently noticed an increase in such inquiries and thought it advisable to bring this practice to your attention. This practice is currently under investigation by the New York State Attorney General and other law enforcement agencies throughout the country.

Our message to you is to read carefully all solicitations for compliance and money, even if they look "official". If you have any doubt, please do not hesitate contacting us for consultation and/or verification.

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Please see the following page for an example of a misleading "Corporate Compliance" notice.

We are available to provide counsel and guidance concerning these issues, as well as other Corporate Law concerns not discussed in this Legal Alert. For additional information, please contact us.

Contact: Monte Engler 212.841.0521 mengler@phillipsnizer.com

This information is provided as a public service to highlight matters of current interest and does not imply an attorney-client relationship. It is not intended to constitute a full review of any subject matter, nor is it a substitute for obtaining specific legal advice from competent, independent counsel.

600 Old Country Road • Garden City NY 11530
516.229.9400 • 516.228.9612 Fax

25 Main Street - 6th Floor • Hackensack NJ 07601
201.487.3700 • 201.646.1764 Fax

666 Fifth Avenue • New York NY 10103
212.977.9700 • 212.262.5152 Fax

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ANNUAL MINUTES DISCLOSURE SERVICES

DIRECTORS AND SHAREHOLDERS

INSTRUCTION FORM

(NEW YORK CORPORATION) ANNUAL FEE \$150

CORPORATION NUMBER #: 3018663

NOTICE DATE:
8 / 15 / 08

REPLY BY:
August 25, 2008

NAME OF CORPORATION: (Please correct any changes that apply)
*****AUTO**3-DIGIT 100**21**7464



Maintaining records is vital to the existence of all corporations; in particular the recording of shareholder and director meetings. Failure to comply with certain requirements could cause your corporation to lose its limited liability status (Pierced Veil). If so, personal liability or exposure to tax agencies, or creditors, could possibly be put on directors and shareholders for failing to document formalities. Complete the instruction form by providing the following candidate names for the position listed and submit with the proper fee within 10 days to avoid a delay of our preparation and fulfillment of Annual Minutes for your corporation. **ANNUAL MINUTES DISCLOSURE SERVICES** provides corporations with minutes in order to keep compliance with applicable laws and regulations. **PLEASE MAIL THIS FORM AND PAYMENT OF \$150 TO: ANNUAL MINUTES DISCLOSURE SERVICES BUSINESS PROCESSING DIVISION 911 CENTRAL AVE #134 ALBANY, NY 12206 For Questions ? Please, Call: (866) 390-1176**

**COMPLETE THE ADDRESSES FOR THE FOLLOWING
PLEASE, PRINT LEGIBLE IN BLUE OR BLACK INK ONLY**

STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE

CITY / STATE

ZIP CODE

MAILING ADDRESS (IF ADDRESS IS OUTSIDE OF NEW YORK)

CORPORATIONS CODE SECTION: 624. Books and records; right of inspection, prima facie evidence. (a) Each corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its shareholders, board and executive committee, if any, and shall keep at the office of the corporation in this state or at the office of its transfer agent or registrar in this state, a record containing the names and addresses of all shareholders, the

Number and class of shares held by each and the dates when they respectively became the owners of record thereof. Any of the foregoing books, minutes or records may be in written form or in any other form capable of being converted into written form.

Officer, Director, Shareholder, Sec: 1,2,3. Enter the name and complete business address of an officer of the corporation (President, Secretary) enter the Name and complete business or residential address of the corporation's directors and shareholders; if there are more than three directors and shareholders Please attach additional pages. The corporation must have one or more directors (Corporations Code Section 301(a)

SEC.1>PRESIDENT:

SECRETARY:

SEC.2>DIRECTOR- 1

DIRECTOR- 2

DIRECTOR- 3

SEC.3> SHAREHOLDER: (If applicable)

SHAREHOLDER: (If applicable)

New York Corporations Code Sec 624: Is Statutory And Your Corporation Should Comply With Applicable Laws And Regulations. For Adequate Record Transfer Please, **Print Legible.** All Information Will Be Treated As Private And Confidential. Please, Allow 30 Days From The Date of Receipt For Complete Processing, Fulfillment, And Mailing of The Annual Minutes For Your Corporation. This Product or Service Has Not Been Approved or Endorsed By Any Government Agency And This Offer Is Not Being Made By An Agency of The Government. **Attorneys And Accountants Typically Charge \$300 To \$900 For Annual Minutes Preparation. A.M.D.S.** Prepares Annual Minutes That Meet New York Statutory Annual Minutes Requirements For Only \$150. U.S.C. 39 & 3001 (d) This Is A Solicitation For The Order of Services, And Not A Bill, Invoice, or Statement of Account Due. No Obligation To Make Any Payments On Account of This offer Unless You Accept This offer.

By submitting the above corporate information to Annual Minutes Disclosure Services, the corporation certifies the information herein, including any attachments, is true and correct.

SIGNATURE OF OFFICER:

TITLE:

DATE:

BUSINESS DIVISION NOTIFICATION

NEW YORK CORPORATIONS CODE STATES:

Corporations Code Section 624. Books and records; right of inspection, prima facie evidence. (a) Each corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its shareholders, board and executive committee, if any, and shall keep at the office of the corporation in this state or at the office of its transfer agent or registrar in this state, a record containing the names and addresses of all shareholders, the number and class of shares held by each and the dates when they respectively became the owners of record thereof. Any of the foregoing books, minutes or records may be in written form or in any other form capable of being converted into written form.

Proper Corporate Minutes can save your business from possible dissolution and/or bankruptcy. Once Your business has been discredited, it can lose its legal protections, deductions and its very status as a Corporation.

Minutes are required regardless of size of company or its board of directors. Both S and C corporations must keep corporate minutes appropriately for compliance with applicable laws and regulations.

FEE: \$150 should be submitted for processing and fulfillment of the Annual Minutes for your corporation. Submit a single check or money order made payable to Annual Minutes Disclosure Services and mail to:

**ANNUAL MINUTES DISCLOSURE SERVICES
BUSINESS DIVISION
911 CENTRAL AVE #134
ALBANY, NY 12206**

By submitting the Disclosure Form of Directors and Shareholders to Annual Minutes Disclosure Services Business Division. The corporation certifies the information contained herein, including any attachments is true and correct.