



NEWS FROM THE FIRM

August 2010

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Chris Griswold, P.C.
A Business Transactions
and Estate Planning Firm

Memberships

- OK, TX & American Bar Associations
Licensed in all OK & TX State Courts
- International Council of Shopping Centers
- Commercial Real Estate Council of Oklahoma City
- Oklahoma Renewable Energy Council
- CCIM Chapter of Oklahoma

Links & Resources

Commercial Real Estate Council of OKC
www.crecokc.com
International Council of Shopping Centers
www.icsc.org
Oklahoma Renewable Energy Council
www.ocgi.okstate.edu.orec

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Message from Chris....

This month I want to write about a widespread problem that often comes across my desk. It's the issue of business owners failing to stay current with the required, annual, legal formalities which are imposed upon each and every limited liability company ("LLC") within the State of Oklahoma by the Secretary of State ("SOS") – be they domestic or foreign. ***No matter what type of business you own or what you do for a living***, if you do it within the incorporated form of an LLC, listen up....

Staying Legal With LLC's

Every year the SOS mails out an Annual Certificate ("AC") to each and every LLC. The AC is mailed to the LLC's principal place of business address (which is currently on file with the SOS) and is due back to the SOS (along with \$25) by the anniversary date of the filing of the LLC's Articles of Organization (or the date of registration for foreign LLC's). It's just a "one-pager" form that confirms: **i)** that the LLC is still active, and **ii)** the LLC's principal place of business address. The problem is that, for whatever reason, a lot of busy, business owners don't fill these out and send them in. ***Big deal, so what??***

If the LLC fails to file the AC within 60 days after the anniversary date:

To quote the language right off the AC: "A limited liability company that neglects, refuses or fails to file the annual certificate within 60 days after the due date shall cease to be in good standing as a domestic limited liability company or registered as a foreign limited liability company in this State."

If the 60 day period passes and the LLC is no longer in good standing:

The LLC may not maintain any action, suit or proceeding in any court of the State of Oklahoma. This means that your business won't, among other things, be able to sue anyone (however, it will still be liable on any and all debts, contracts, etc...).

If you **don't** reinstate the LLC and pay all delinquent fees within 3 years of the anniversary date:

The Articles of Organization for the LLC will, by **operation of law**, be rescinded. This means that the LLC will no longer be a legal entity thus making the business owner, among other things, **personally** liable for all contracts, debts, etc.... Worse yet, the business owner could, after 3 years, get everything corrected just to find that someone else has taken their LLC's name (since their LLC previously ceased to be a legal entity and their LLC name got recycled by another business owner).

What My Clients Are Saying....

"Chris Griswold has a way of simplifying complex legal issues. He is quick to respond, efficient and professional in his delivery of services and fair and up front with his cost. Professional Insurors considers Chris an asset to both our business and our clients. Our trust in Chris grows each and every time we call on his expertise."

Kelly Miller / Owner / Professional Insurors Agency, LLC / Oklahoma City, Oklahoma