

Message From Chris....

We all use LLC's. However, too many show up on my desk that are "not in good standing." Why? How do you keep it from happening? Read below, this is good stuff for everyone to know... (and don't forget to click on my Facebook, Linked In or YouTube links below to also see my short video on this material). Also, don't forget to occasionally glance online at the Journal Record, you might spot one of my occasional contributions to the Lot Lines column.

Maintaining LLC's

LLC's are how real estate transactions occur; most of which are not in good standing or even dissolved to the surprise of their members/managers come time to sell or re-finance. What do you need to remember when using LLC's?

First, remember your LLC was filed with the Secretary of State on a certain day; upon the anniversary of which the Secretary of State *will E-mail (not snail mail)* the registered agent something called an "annual certificate." The annual certificate will ask the registered agent to confirm: 1) that the business is still active, and 2) that any new place of business be disclosed on the form – along with a payment of \$25.00 being mailed to the Secretary of State. The certificate is due on the anniversary filing date of the domestic LLC with the Secretary of State (or the anniversary date of registration of any duly registered foreign limited liability company with the Secretary of State).

Second, if you fail to do the foregoing (i.e., fail to mail in the completed annual certificate along with your remittance of the \$25.00 to the Secretary of State) within 60 days after such anniversary filing (or registration) date, your LLC shall cease to be in good standing with the State. So what?

Upon losing its status of good standing, the LLC:

- 1) Cannot bring any suit against any person or entity in any court in the State (which makes it hard for the LLC to collect monies due it, or
- 2) Will be dissolved automatically (as a matter of law, 3 years after such anniversary filing (or registration) date. This might mean the LLC will have to later change its name, if, years later, its previous name has since become unavailable.

If this happens, it's not the end of the world (as the LLC can be re-instated and the managers/members themselves will not be held personally liable for any unperformed duties or

obligations of such LLC *simply due to such unfiled annual certificates*), but it will slow up your closing, as your banker/escrow officer will tell you.

So, set an annually re-occurring reminder on the calendar starting about 45 days prior to such anniversary filing (or registration) date, and then diligently be on the lookout for these annual certificates that now only come to you via E-mail (and don't forget to check your junk e-mail folder too during that time period). Failing everything else, around the time of the anniversary date, call the Secretary of State and inquire about getting your annual certificate filed.

The information presented within this article is of a general nature and is not intended to be relied upon as legal advice in any particular matter without first consulting qualified counsel.

What My Clients Are Saying

“Chris Griswold has been a tremendous asset in making my dream a reality! His legal advice, strong business acumen and initiative in helping me find the answers got me started on the right track. His honesty, common sense and strong interest in helping me succeed was a welcome addition in finding the right partner for legal advice and direction. I look forward to working with him again in the future.”
Margaret Holloway / Partner, Café 501 and Boulevard Steakhouse; President, Senior Care Network / Oklahoma City, Oklahoma

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