

# CLAS NOTES

A Publication of CLAS Worldwide Information Services

Volume 1 / Issue 1

Year End 2007

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## CALIFORNIA

### SIGNIFICANT CHANGES TO LIMITED PARTNERSHIP FILINGS AS OF JANUARY 1, 2008

AB 339 which will become effective on January 1, 2008, will have significant changes to the laws governing Limited Partnerships. Although the majority of the changes will go unnoticed by filers before January 1st, some changes could potentially impact filings before this date. It is important that you understand the changes to the uniform partnership law and what effect this may have on your business.

Under prior law, in California a Limited Partnership was prohibited from using a name that was deceptively similar to an existing Limited Partnership. This will change under the new Uniform Limited Partnership Act. Under the new law a name must only be distinguishable from another Limited Partnership. As a result names that were previously unavailable for reservation may now be reserved.

If you reserve a name for a limited partnership it is important that you advise your CLAS service representative

if you plan on using the name before or after January 1st. It is also important to let the service representative know if you are choosing to be governed by the Uniform Limited Partnership Act of 2008 or prior law as both of these items have a factor on determining if the name will be available. All name reservations that are being issued at the Secretary of State are issued assuming that you will be governed under the new act unless specified. Filers must advise us if the name being reserved will be governed under the old Uniform Limited Partnership Act so that the proper name reservation certificate is issued.



The Name Reservation Certificate issued will clearly set forth which version of the

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Limited Partnership Act under which the name is reserved.

Other Changes:

- Domestic Limited Partnerships can choose whether they would like to be governed under existing law or the Uniform Limited Partnership act of 2008. However, foreign limited partnerships do not have a choice and will be governed under the Uniform Limited Partnership Act of 2008. After December 31, 2009 all Limited Partnerships will be governed by the revised act of 2008.
- Under Uniform Limited Partnership Act of 2008 an LP will not be allowed to use an assumed name if their existing name was available in the state.
- The Secretary of State cannot honor a request for a January 1, 2008 file date as the law does not provide for future file dates.
- If you must have a Limited Partnership filed by the start of the new year the state has advised that you may file under existing law, and later elect to be governed under the Limited Partnership Act of 2008.
- After December 31, 2009 all Limited Partnerships will be governed by this new law.

If you will be filing a limited partnership during the month of December it is critical that filings be submitted before December 31st, 2007, or after the new forms become available. Please do not send filings on the old form for filing after January

1st as the Secretary of state will not accept the old forms.

### STATE TO DISCONTINUE ENDORSED COPIES OF CORPORATE FILINGS

Effective January 1st the California Secretary of State will no longer provide "Endorsed" copies of corporate filings. In the past the California Secretary of State would provide two certified copies of a corporate filings and two endorsed copies provided two extra sets of copies were submitted at the time of filing.



After the first of the year only two certified copies of a filing will be provided at no additional charge. If a client would like additional certified copies of a filing they may be ordered at a cost of \$8.00 per document, if copies of the filing are submitted at the time of filing.

### PULL REQUESTS TO BE DISCONTINUED

A Pull Request is when documents have been submitted for filing but at a later date the client has requested that they do not want the documents filed. In the past the state would locate the filing and provided the documents had not been filed would return them to CLAS Information Services. Effective January 1, 2008, the California Secretary of State will no longer provide "pull request" service.

As a result if, something is filed that is in error, not needed or the wrong business type the filings of dissolutions, conversions or an amendment will be needed. If you have additional questions on how this change may affect your business please contact your service representative at 800.952.5696.

### STATE GETS "PHYSICAL" WITH REGISTERED AGENT ADDRESSES

Generally a physical address of the registered agent is required on corporate filings. Exceptions existed in the law that would sometimes in specific cases allow for a P.O. Box to be utilized as the registered agent address. SB 998, which takes effect on January 1, 2008, now closes this loophole. A post office box will no longer be allowed for an individual acting as a registered agent. The physical street address of the registered agent must be provided.

If you are concerned about your information being listed on the internet, remember

CLAS Information Services offers registered agent services nationwide through our affiliation with NRAI. Contact us if you need assistance in moving your registered agent appointments to CLAS.

### WHY YOUR NOTARY NO LONGER "KNOWS" YOU

Notary publics will no longer be allowed to use "Personally Known" as a method of identification when notarizing a document. "Satisfactory Evidence" will now be the only acceptable identification for notarizing a document. Powers of attorney will now require the notary to obtain a thumbprint in addition to the correct "Satisfactory Evidence" on execution.

# 2008

## ILLINOIS

### VOLUNTEER BOARD MEMBER LIMITS SET

HB1146 Amends the General Not For Profit Corporation Act of 1986. It limits the liability of a volunteer board member serving without compensation, other than reimbursement for actual expenses, for damages resulting from any action of the executive director concerning the false reporting of or intentional tampering with financial records of the organization, where the actions of the executive director

result in legal action.

### CORPORATE NAME PROTECTIONS ENACTED

HB1146 amends the Business Corporation Act of 1983 and the General Not For Profit Corporation Act of 1986. It provides that the Secretary of State shall not allow another corporation to use the name of a domestic corporation that has been administratively dissolved until the end of the 5-year reinstatement period. It provides that if the domestic corporation that has been administratively dissolved is reinstated within the 5-year period of reinstatement, the domestic corporation shall continue under its previous name without impacting its continuous legal status, unless the corporation petitions to change its name upon reinstatement. Effective immediately.

**STATE HOLIDAYS**

The states below announced they will be closed on the following dates this holiday season:

- CALIFORNIA: December 24th
- DELAWARE: December 24th, 25th
- MICHIGAN: December 24th, 25th, December 31st, January 1st
- TEXAS: December 24th, 25th, 26th

# KENTUCKY

### LIMITED PARTNERSHIPS ENGAGED IN DISAPPEARING ACT!

In 2007 Kentucky adopted legislation amending the laws governing the qualification of Foreign Limited Partnerships (LP's), Limited Liability Partnerships (LLP's) and Business Trusts (BT's) qualifying to transact business in Kentucky. Effective January 1, 2008, those provisions of the Old Acts addressing the qualification of foreign LP's and LLP's are repealed, and only qualifications under the New Acts are effective.

It is important that clients understand that there is no "grandfather" clause. Consequently no later than January 1, 2008, each foreign LP and LLP that is transacting business in Kentucky, is required to have filed under the New application for a certificate of authority under the new act. If the foreign LP and LLP has already filed an application for a certificate of authority under the provisions of the new act, no additional filing is necessary at this time. However, if you have not yet filed under the new act and would like to continue to be recognized in the state it is important that you do so before January 1, 2008.

### ANNUAL REPORT REQUIREMENTS

Beginning in 2008 all Foreign Limited Partnerships, Limited Liability Partnerships and

Business Trusts will be required to file annual reports.

CLAS offers Annual Report Management Services which can assist you in staying in compliance and make managing all of the state requirements easier. Call us at 800.952.5696 for more information.

## MISSOURI

### NO MEMBERS? NO LLC?

HB 431 authorizes the automatic dissolution of a limited liability company after the withdrawal of the last remaining member unless there is an agreement by the personal representative



### Waiting a while for Officer / Director Information from the state?

If you are finding that it is taking too long to get officer or director information from the state, we can help! Call CLAS at 800.952.5696 and ask us how we may be able to help provide the following information at a fraction of the cost of ordering documents from the state!

Status, officers name and address, directors name and address, registered agent is an example of what is available. Ask for the CLAS Corporate Information Report in 21 States!

of the last remaining member to continue the company or if another member is added within 90 days of the withdrawal of the last remaining member. Currently an LLC is dissolved upon the written consent of all members, there are no remaining members or upon the occurrence of a condition in the operating agreement or articles of incorporation of the LLC.

## NEWS FROM THE FIELD:

In a recent review of data from three large UCC filing states it was discovered that over 50% of the filings failed to use the correct debtor name. Failure to file under the correct name may result in a seriously misleading filing that fails to perfect a security interest.

UCC eZFILE<sup>®</sup> can assist users in getting the name correct. Ask us how!

## NEVADA

### STATE IS "BEARER" OF NEWS ON FAR REACHING LAWS REGARDING DISCLOSURE AND GOVERNANCE

In an effort to address concerns about the use of U.S. Corporations and other entities in engaging in terrorism or money laundering activities, AB 25 was passed by the Nevada legislature.

Companies that are registered in Nevada must now maintain a record of the "beneficial owner" and must make this informa-

tion available at the request of the Secretary or as a result of a criminal investigation.

The Secretary of State now has the authority to license and inspect transfer agents who are based in Nevada and who register securities which are not traded or regulated by the major markets.

This law also addresses the concerns about the use of "bearer shares." A bearer share is a stock certificate which is owned by the person in possession of the share. Under this law the use of these shares will be prohibited in the state of Nevada.

This act also allows the Secretary of State to form regulations addressing fraudulent filings made with their office.



## TEXAS

### CLEAN HOUSE FOR 2008

HB 1737 - This Bill 1737 makes both technical and substantive amendments to the Code. Substantive amendments that would be effected by this Bill include the following: (a) enhanced flexibility for partnerships by creating new rights to



- Do you know where all of your entity stock and officer information is stored?
- How much time do you spend obtaining an up-to-date listing of officers for just one of your companies?
- How easy is it to find what companies and in what roles John Smith has served?
- How intact are your corporate minute books?
- Where do you go for ownership records for XYZ Company?

With Entity Pro™ you can access your data more efficiently. Entity Pro™ reduces wasted time and errors and helps you stay organized and in compliance easily and efficiently.

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cancel events requiring winding up when there are no limited partners, when all or substantially all assets have been sold and upon a request of a partner; (b) enhanced flexibility for nonprofit corporations by eliminating strict requirements for delivery of non-unanimous consents of directors and for setting a new record date for adjournment of a meeting of members; (c) additional logical information requirements for certificates of merger, conversion and exchange; (d) elimination of statement required for a certificate of formation of a professional association; (e) addition of express authority for corporate director resignations that are irrevocable or take effect on a later date or specified event; and (f) enhanced flexibility for limited liability companies by creating a new right to cancel an event requiring winding up arising from the termination of membership of a company's last remaining member.

## INTERNATIONAL COSTA RICA

**NO STAMPS,  
NO LEGALIZATIONS,  
BIG PROBLEMS**

The Embassy for Costa Rica has run out of stamps that are used to legalize documents for use in Costa Rica. They are not expecting to get the needed stamps for up to one year from now. This is not only inconvenient, but it prevents business from being conducted.

We have learned that the Lon-

don embassy still has the stamps needed to legalize documents for use in Costa Rica. In the event that you cannot wait a year for the stamps you may consider this as an alternative.

Contact your account representative for pricing and additional information if you would like to use this service.



If you are interested in being a contributor, would like to make suggestions, or comments please contact us at:  
[edward@clasinfo.com](mailto:edward@clasinfo.com)