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## **Take stock of legal documents in 'winter'**

This morning I was studying a tree. A tree doesn't get anxious or fret in winter; rather, it waits patiently for spring and summer.

Likewise, business owners who might be going through a "winter" season in these trying economic times would be wise to work patiently on the business basics while waiting for spring and summer.

If business is slow, it might be a good time to take care of some legal basics. If your company is supposed to be registered with the secretary of state's office, make sure the company is in good standing. If your company has been dissolved, do not despair. This is easily remedied by simply filing forms and paying the required fees. Remember to do this sooner rather than later as you may have personal liability if your business is not properly registered with the state.

Next, make sure you have by-laws, an operating agreement, or a partnership agreement if operating as a corporation, limited liability company or a partnership. These documents set forth how the company is governed and who has what authority. These documents should be kept together with other important documents such as the company charter, stock certificate, minutes, etc.

While in your company record book, ensure the company minutes are updated. This means the board of directors and officers are properly elected and important decisions are documented. The officers of most corporations include a president, vice president, secretary and treasurer. However, it is important to check corporate bylaws to determine what officers your company should have. Though limited liability companies and partnerships are not technically required to keep minutes, it is always good to have a written record to document important decisions and actions. Now might be a good time to sit down and document some decisions the company has made in the past.

If your business is a sole proprietorship or partnership, this might be the time to consider whether it is time to incorporate or set up a limited liability company. Remember, sole proprietors and partners have individual personal liability for debts and liabilities of the business. If not losing your home to a business creditor is important to you, you may wish to consider setting up a limited liability entity to run your business.

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