

# Client newsletter



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## Annual Reports Due with Secretaries of State; Annual Meetings or Consents in Lieu Thereof Required

Annual reports are due to be filed each year in the state in which your Company was formed and in each state in which the company is authorized to transact business. These filings must be made in order to maintain your business in good standing and to avoid an administrative dissolution (and the expense of getting your company reinstated). They also provide an opportunity for you to check the accuracy of your company's public profile with the state and to update company information.

Laws governing business entities and filings vary from state to state, but currently, Mississippi law provides that only corporations are required to file annual reports. Limited liability companies, limited partnerships and general partnerships are not currently required to file annual reports, but this may soon change (see Current Developments below). The Mississippi filing deadline is April 15, 2010. Although the Secretary of State's Office does accept paper filings, it is urging all corporations to file their annual reports online using its website: [www.sos.ms.gov](http://www.sos.ms.gov). You will need the business ID number for your corporation and a major credit card. The filing fee is \$25 when filed

through the mail or \$23.25 when filed online.

Many of our clients are organized under the laws of, or are doing business in, the State of Delaware. The filing period for Delaware is between January 1 and March 1 of each year and the report has to be filed online. As in Mississippi, limited liability companies, limited partnerships and general partnerships are not currently required to file annual reports in Delaware but are required to pay annual fees and taxes.

If your company was organized or is authorized to transact business in a state other than Mississippi or Delaware, the particular state's laws and filing deadlines can usually be found online at the appropriate secretary of state's website.

### Current Developments

The Mississippi House of Representatives passed HB No. 683 on February 10, 2010, and the bill has been approved by one Senate committee, is being considered by another and could be heard on the floor as early as next week. If passed, the bill would require both domestic and foreign limited liability companies to file annual reports

containing certain specified information regarding the company. The bill also provides new guidelines and procedures for administrative dissolution and reinstatements following dissolution. The annual report filing fees will be \$25 for a domestic LLC and \$100 for a foreign LLC. If passed, the new laws would take effect as early as July 1, 2010, and presumably require filings in 2011.

### Annual Meetings or Consents in Lieu Thereof

Annual shareholders' and directors' meetings are also required to maintain the legal status of your corporation. Shareholders usually elect or re-elect board members and the board elects or re-elects the officers at these meetings. It is also important to document material corporate decisions and this is often accomplished through annual meeting minutes. Where there are relatively few shareholders and directors of a corporation, written consents in lieu of such annual meetings are permitted and are widely utilized.

### Bottom Line

Failure to maintain these "corporate formalities" may result in fines and

administrative dissolution and could possibly even result in the shareholders, officers and/or directors being held personally liable for the

corporation's debts or other liabilities. We offer a broad range of corporate services and will be happy to assist you in handling any of these

matters in an efficient and economical manner.

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