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Dated: June 28, 2010

Be A Value Shopper When Forming A Business Entity **-Beware of Internet Documents Services**

I am a value shopper. When I purchase my brand shampoo I purchase it at Wal-Mart for dollars less than the local grocery store or pharmacy because I know I am getting the exact same product with all the same ingredients. When I want service, I shop at Nordstrom's because I know that there will always be a salesperson willing to answer every question and provide any assistance I need. Both stores provide me value. At Wal-Mart my value is my savings. At Nordstrom's, my value is my saved time and knowing that the product I leave with is of the highest quality.

When starting a new business, or changing the form of an existing business (e.g. from a sole proprietorship to a corporation) a business owner should seek the assistance of a qualified business attorney to assist in choosing the most appropriate form of entity for the business activity.

Business attorneys provide more than "fill in the blank" forms that often leave a client with an incomplete process. For example, in California, if you choose a corporation as an entity and you pay an internet service provider to form your corporation, you will often receive back merely the filed Articles of Incorporation and form bylaws with blanks to be filled in. Many owners fail to complete the organization of the corporation which includes, among other steps, completing and adopting the bylaws, filings with the Department of Corporations, electing a board and appointing officers. Failure to properly organize the corporation may result in disallowance of the corporate status and shareholder liability. The primary reason business owners form corporations and LLC's is for the liability protection. Why spend any money on entity formation if the protections aren't received?

In addition to ensuring that the entity is properly formed and organized, a qualified business attorney will be able to discuss and provide advice on the form of the entity, such as sole proprietorship, corporation, LLC, partnership or limited partnership, as well as entity structure, financing, tax election, employment relationships and insurance coverage. With an internet document service you must know which entity you want before you purchase and you receive no assistance with respect to the other structure issues.

Websites and self help products are no substitute for thorough analysis, consultation and follow through that comes from a trusted advisor when starting a business or changing the business entity's form. LegalZoom, one of the most popular web based document services, gives the best advertisement for seeking a valuable business attorney in its disclaimer which says: "LegalZoom is not a law firm and is not a substitute for an attorney or law firm. LegalZoom cannot provide legal advice and can only provide self-help services at your specific direction." Do you know what type of entity is best for your business? Many don't. I often hear, "I want an LLC because that's what everyone's doing now." Are you aware that in California there is an additional fee charged to LLC's based on the LLC's gross income? You won't discuss this or any other issue regarding choice of entity with the LegalZoom's of the web.

Pay me now or pay me later. Many clients come to me when faced with an IRS audit and their CPA recommends that their corporate records be updated. Often it is necessary to correct the self help documents at a cost greater than what would have been paid initially.

At Merhab Robinson & Jackson we provide Platinum Incorporations and LLC Services (sm). Think Tiffanys. You know you are getting the best gift every time you receive that blue box. Be a value shopper, know what is valuable to you. For more information visit us at <http://merhabrobinsonjackson.com>.