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## Is Your Business Prepared For An Emergency?



**Tamara Pow, Esq.**  
Cupertino Public  
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The 7.0 earthquake in Haiti, as well as the small earthquakes we have experienced recently in the Bay Area, should be a reminder to all of us that disaster can strike at any moment. Are you prepared? Is your business prepared?

The Department of Homeland Security's Federal Emergency Management Agency's (FEMA) *Ready Campaign* is reminding Americans to *Resolve to be Ready* in 2010. Being *Ready* for personal emergencies includes:

- 1) getting an emergency supply kit for your home and your car, with water, food, first aid supplies and other necessities;
- 2) making a family emergency plan; and
- 3) being informed about the types of emergencies and appropriate responses.

But what does it mean for your business to be ready for an emergency? Start by making a list of critical issues involved in re-opening your business after a disaster, then set up a plan to deal with each one.

- **Facilities** – What is your evacuation plan? Where are the emergency shut-off valves?
- **Staff** – Which employees are critical? Make sure you have a back up for each one of them through cross-training.
- **Communications** – Do you have more than one means of communicating? Are all of your communications through one carrier? Smart phones may be a back up to office phones and email. Make sure you have an off-site contact list for all employees, people to contact in the event of an emergency, and key customers and suppliers.
- **Remote Operations** – Make sure you can continue to operate the business, even if you cannot get back into your building.

**Back-up** – If your business depends on any sort of information, make sure you have duplicate methods of back-up, off-site, and test them regularly.

Finally, let your customers know you are ready for a disaster – it will make them want to do business with you because they know you are capable of getting back to work quickly after an emergency, and it may encourage them to get prepared as well.



## Success Story

SLG's attorneys assisted a tenant in revising a long term lease for a new restaurant, with a period of free rent during the initial build out. When the tenant improvements were almost complete, but before the restaurant was able to open for business, the restaurant caught fire and suffered significant damage. Thanks to the carefully negotiated lease terms, the landlord and its insurance company were responsible for repairing the tenant improvements, and the rent holiday continued until all repairs were made and the tenant was ready to open.

## Corporate Minutes and Resolutions

A significant advantage to setting up a corporation is that the shareholders are mostly protected from liabilities. This protection, often referred to as the “corporate veil,” can be pierced for certain reasons. One such reason is the failure to prepare and maintain corporate records, including corporate minutes and corporate resolutions. If the shareholders neglect to follow such corporate formalities and do not treat the corporation as a separate entity, then the courts and the IRS can and will do the same.

Many corporations have lawyers or paralegals on staff or on retainer to help them satisfy corporate formalities. Some corporations cannot afford that luxury. Nevertheless, preparing corporate minutes and resolutions is not a difficult task if it is done regularly and timely. Minutes of meetings should, at a minimum, list all those present, include a statement of the various issues discussed, and the responses on each issue. Corporate resolutions, on the other hand, should include a summary of the decisions made at the meeting. Legal buzzwords are not required, although they appear in many corporate records prepared by lawyers. Simple, clear language is satisfactory for either document.

When and why to prepare minutes and resolutions can vary from corporation to corporation. A corporate lawyer can help you understand when and why to prepare such records. Once this is understood, the process can be systemized and corporate formalities can be satisfied with minimal effort or expense. Contact the attorneys at SLG to understand more about corporate formalities, including which matters need to be approved by the board of directors, or the shareholders, or both. Taking care of these requirements now can protect your liability shield and prevent audit, discovery and due diligence problems later.



## Tax Corner

- **Required Filing On Hiring an Independent Contractor.**

If you are a Service Recipient that is required to file a Federal Form 1099-MISC for services performed for you by an independent contractor, you must report to the Employment Development Department within 20 days of EITHER making payments of \$600 or more OR entering into a contract for \$600 or more with an independent contractor in any calendar year, whichever is earlier. This information is used to assist state and county agencies in locating parents who are delinquent in their child support obligations. For more information, and for forms, contact the Employment Development Department at [www.edd.ca.gov](http://www.edd.ca.gov).

- **Time to Buy a Hybrid?**

The standard mileage rate for business driving is 50¢ per mile for 2010, a drop of 5¢ per mile from last year. Source: The Kiplinger Tax Letter, Vol. 85, No. 1, Jan. 8, 2010.

- **File your taxes on time!**

The late filing penalty for S corporations and partnerships just went up to \$195 per owner/partner, per month, for up to 12 months. Previously the monthly penalty was \$89 each. Source: The Kiplinger Tax Letter, Vol. 85, No. 1, Jan. 8, 2010.

- **Time to Revisit Your Limited Partnership Agreement.**

As of January 1, 2010, the Uniform Limited Partnership Act of 2008 governs all limited partnerships in California. If you have a limited partnership that was formed before January 1, 2008, some of the new code provisions will not apply to you unless the partners specifically agree to them. For example, if you want your partnership to have a perpetual duration, you must specifically agree to such a provision.

- **Haiti Earthquake Relief Donations**

Pursuant to a new law enacted on January 22<sup>nd</sup>, Haiti earthquake relief donations that are made before March 1, 2010 may be claimed as a charitable contribution deduction for the 2009 tax year. IR 2010-12: P.L. 111-126

## Happy Fifth Anniversary to Structure Law Group, LLP



On February 1, 2010, Structure Law Group is celebrating its five year anniversary. Over the last five years we have been growing our firm in size by increasing the number of people on our staff and by moving into a larger office.

We want to thank our clients and business partners who have helped to make these last five years a success. We are looking forward to many more anniversary celebrations in upcoming years.



Back row left to right: Mark Figueiredo; Krystle Warren; Esther Brumleve, and Bob Hawn; Front row left to right: Tamara Pow; Maichi Hoang; and Rebecca McCracken.

### SLG Upcoming Events

- Tamara Pow will be speaking at the Women Technology International Smart Women Finish Rich Seminar on February 9th.
- Bob Hawn will be participating in a symposium at UC Davis on March 12th regarding Intellectual Property Licensing in the current economic climate.

### Interesting New California Laws for 2010



• SB 527 will allow the operation of bikes without seats on state roads, as long as the bike was built that way on purpose.

- SB 135 makes it a misdemeanor to chop off a cow's tail, except for when it is medically necessary.
- AB 1015 makes it a misdemeanor to sell or give nitrous oxide (laughing gas) to a minor.
- AB 62 allows people to drive vehicles with video screens operating in the front seat as long as the driver can't see them.
- SB 572 designates May 22 as Harvey Milk Day, and requires schools to observe the birth date as a "day of special significance".

### Employment Corner



The federal government recently agreed to continue the COBRA assistance program that was put into place in 2009 for those who became unemployed between September 1, 2008 and December 31, 2009. The following changes were made to the law:

1. The COBRA assistance program will be available to workers who are laid between January 1, 2010 and February 28, 2010 instead of ending December 31, 2009 which is when the COBRA assistance program was originally supposed to end.
2. The subsidy for current eligible people has been increased an additional six months, from nine months to a total of fifteen months.

*SLG can help with your employment matters, including employer handbooks, and hiring, firing and leave issues.*



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## Dates To Remember

- February 2 Groundhog Day
- February 14 Valentine's Day
- February 14 Chinese New Year
- February 15 President's Day—some courts  
and government offices closed
- March 14 Daylight Savings Time Starts
- March 17 St. Patrick's Day
- March 20 First Day of Spring



## Did You Know? Valentines Day History

- In 1537, England's King Henry VII officially declared February 14th the holiday of St. Valentine's Day.
- Over 1 billion pounds of chocolate are purchased for this day.
- 15% of women send themselves flowers on this day.
- Approximately 110 million red roses will be purchased within the 3 day time period.
- Red roses are considered the flower of love because the color red stands for strong romantic feelings.
- About 3% of pet owners will give gifts to their pets.
- 73% of the flowers bought on this day are from men.
- 64% of men don't make plans in advance for their sweetheart.

*We appreciate your referrals!*



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