

LOVAAS & LEHTINEN, P.C.

ATTORNEYS

Quarterly Newsletter

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Welcome to the second edition of the Lovaas & Lehtinen, P.C. Quarterly Newsletter. This newsletter will feature new developments at Lovaas & Lehtinen, P.C. as well as provide our clients information on business and law related topics of interest affecting businesses, residents and the legal community.

Happy New Year! – Is It Time for a Business Check Up?

By Aaron Lovaas, Esq.

It is the beginning of another year. Many of us have resolved to make changes in our lives through those infamous New Year's resolutions. At the same time, many of us business owners are working to wrap up our fiscal years and to put our 2008 affairs in order in preparation for tax time and the new challenges and opportunities that will inevitably be presented in 2009. Consider, however, whether one of your resolutions, if you use that term, or simply one of your kick-off tasks for the year should be a business check-up with the assistance of your lawyer.

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Attorneys Lovaas and Lehtinen Attend the Center for Business and Economic Research (CBER) 2009 Economic Outlook Conference



The Center for Business and Economic Research (CBER) at UNLV hosted the 2009 Economic Outlook Conference at the Las Vegas World Market Center on December 11th. Keith Schwer, director of the CBER and Constant Tra, CBER associate director, presented research that forecasts the economic conditions of Southern Nevada and the United States. This is the 17th year the economic outlook conference has been presented by the CBER. According to Schwer “The national economy is going to get worse, and we are dependent upon other people coming here.” *In Business Las Vegas, Volume 9 Issue 24, Week of Dec. 5-11, 2008.* The conditions of the national economy directly shape the Las Vegas economy. Schwer further stated, “If they are spending less money, we will have less money. We continue to feel the effects of the unwinding on Wall Street and Main Street.” *In Business Las Vegas, Volume 9 Issue 24, Week of Dec. 5-11, 2008.* Las Vegas residents will continue to look towards signs of improvement at the national level in 2009 as a sign of improvement for the Valley. *continued on bottom of page 1.*

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Happy New Year! – Is It Time for a Business Check Up?

Nevada is proud of its independent business spirit and the role of the independent business owner in that environment is significant. As business opportunities continue to present themselves at a flurried pace in our robust business environment, it is easy for a business owner to overlook the organizational, record-keeping, and other business details that should, and oftentimes must, be observed in order to protect that business and ensure that it has the opportunity to flourish, rather than flounder.

In our practice, we frequently encounter business owners who have overlooked the payment of their annual filing fees to the Nevada Secretary of State, resulting in their corporation or LLC falling into a “default” status. The primary reason for forming a corporation, LLC or other like entity is to limit, to the greatest extent possible, the personal liability of the business’ principals for the errors or omissions of the entity. Failure to maintain the entity’s good standing with the Secretary of State is a common mistake that jeopardizes the protection of the individual business owners that entity formation is designed to provide. Likewise, many business owners overlook routine record keeping in the nature of corporate minutes and resolutions, or keeping stock registers and other records of ownership up to date. While the record keeping can be brought current annually, or periodically throughout the year, a consistent failure to maintain and update such records can also endanger the protections afforded by forming the entity in the first place. Your business lawyer is the appropriate person to review the status of your corporate filings and record keeping to ensure that your business is positioned to take advantage of the protections that Nevada law allows.

Stepping back a bit, perhaps your business exists only as a sole proprietorship. While that business form is recognized, it exposes the business owner to total personal liability for the actions of the business. A

new year may warrant investigating whether it is time

to reorganize that sole proprietorship into a corporation, LLC or other form that will offer greater protection. Similarly, a business owned and operated by more than one owner, yet not officially organized into a corporation, LLC or other entity, may nonetheless be deemed a partnership under Nevada law. Hence, with no intent to do so, those owners may have taken on fiduciary duties to one another in the nature of sharing profits and losses in an equal manner and co-owning business property. This situation exposes the owners not only to liability to third parties for the actions of the business, but also, unwittingly, to liability to one another to observe partnership formalities imposed by Nevada law.

There are a host of benefits and detriments to the formation of one type of business entity or another depending on the nature or the business and the owners’ goals. That analysis is beyond the scope of this article and would also warrant the input of your tax professional as to the myriad of taxation issues that can be addressed through the formation of one type of entity or another. It suffices to say, however, that your business could benefit from adding a visit with your business lawyer to your list of New Year’s resolutions.

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According to the Nevada Secretary of State Quarterly Business Report, new entity filings have decreased 13.98% over the first 5 months of the 2009 fiscal year as compared to the same period in the 2008 fiscal period. <http://secretaryofstate.biz/information/news/quarterlyreports/docs/2008Quarter3web.pdf>. Despite the current economic condition, Clark County has still continued to see a constant stream of new residents. According to the Nevada Department of Motor

Vehicles, “over 4,400 new movers came to Clark County in November, bringing the 2008 new mover count to more than 60,000.” In contrast, according to the Las Vegas Convention & Visitors Authority, “just over 3 million visitors came to Las Vegas in October, a 10.2% decrease over last year. Despite the decline in visitors, occupancy rates still remain 20-25% higher than in most markets.” According to the Clark County Department of Aviation, “nearly 3.6 million passengers traveled through McCarran International Airport in October, a 12.8% decrease from 2007.” According to the Nevada Department of Employment, “the unemployment rate in Nevada reached 8% in November, while the rate in Las Vegas hit a record high of 7.9%.” However, “total employment in Las Vegas is up 1.7% from last year to 935,000, and the labor force has grown 4.7% to 1.015 million.” Economists at the UNLV CBER “are optimistic that Southern Nevada will see a turnaround in 2009, with only personal income forecasted to have negative growth. All major factors are expected to show positive growth in 2010.”

Please note: all of the above quoted economic data was taken from the In Business Las Vegas, Economy at a glance December 2008 publication. <http://view.email.gmgvegas.com/?j=fe9513727265057575&m=fe9c1770706d06&ls=fde3167776650c747c1c7672>.

Attorneys Lovaas & Lehtinen Participate as Panelists on ABA Section of Business Law Committee on Career and Practice Development Podcast

Lovaas and Lehtinen joined several prominent legal professionals in the ABA Section of Business Law Podcast to discuss networking tips as well as those pertinent to the holiday season. The American Bar Association comprises the largest association of attorneys in the world and is organized in a system of

substantive Sections, Divisions, and underlying Committees. The Section of Business Law focuses primarily on furthering the development and improvement of business law, educating Section members in business law and related professional responsibilities, and helping Section members to serve their clients competently, efficiently and professionally. Podcasts as generated by the committees of the ABA Business Law section provide an alternative venue to increase professional development and education of its members. Lovaas and Lehtinen both provided their insights in an interactive Podcast discussion with prominent legal panelists from across the United States.

The Podcast was well received with over 897 downloads by law students seeking information and tips to aid in their search for summer and permanent employment. In addition, the panelists discussed the importance of the holiday season as ripe for networking opportunities. The panel emphasized that with the multitude of parties, gatherings and ceremonies abounding, students are able to maximize their current contacts and create new opportunities. Both Lovaas and Lehtinen were pleased to contribute to the Podcast program.

Lovaas commented "Participating in the Holiday Networking Program was a rewarding way for Lovaas & Lehtinen to make a valuable contribution to the law student audience as they embark upon honing their professional development skills." Lehtinen was also enthusiastic stating "It was a pleasure to participate in a program involving distinguished attorneys from across the United States and contribute networking tips that may aid a new lawyer in their career development."

To listen to the Podcast, please visit <http://www.abanet.org/dch/committee.cfm?com=C.L745000>.

Attorneys Lovaas & Lehtinen Tour the North Las Vegas Sunshine Fresh Factory



Attorneys Lovaas and Lehtinen toured the Sunshine Fresh Pickle Factory located in North Las Vegas on October 2. Sunshine originally opened its doors on the east coast to the pickle world in 1935 as a mayonnaise manufacturer. For over 70 years the Sunshine name remains synonymous with quality for Pickles, Deli Pickles and Pickle Products. The North Las Vegas factory is a well kept secret, especially for many east coast natives who now reside in Las Vegas. The plant does not sell pickles to the public.



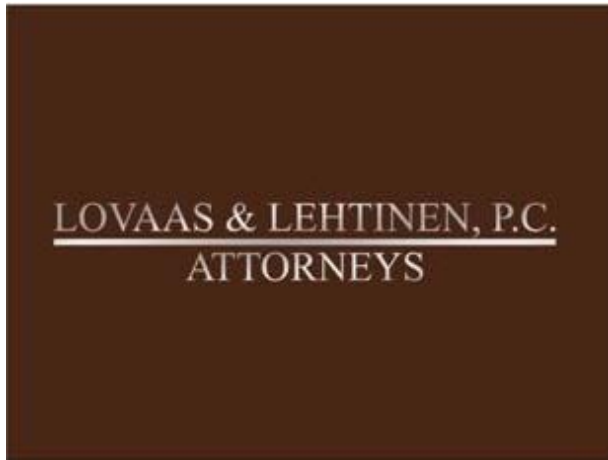
Even though Sunshine Fresh does not sell bottled pickles in grocery or convenience stores they do sell directly to distributors who transfer the products to local delis and restaurants. To find the pickles, try a local deli.

To find out more information about Sunshine Fresh visit <http://www.sunshinefresh.com/profile.htm>.

FYI: NEW YEARS BUSINESS LAW TIPS

- * Remember to pay your annual filing fees to the Nevada Secretary of State.
- * Tax time is just around the corner. Consult with your accountant or CPA to prepare for the impending deadline.
- * Routine record keeping in the nature of corporate minutes and resolutions, or keeping stock registers and other records of ownership should be kept up to date. Your business lawyer is the appropriate person to review the status of your corporate filings and record keeping ensuring that your business is positioned annually to take advantage of the protections that Nevada law allows.
- * Now is a good time to decide whether you should investigate reorganizing your sole proprietorship into a corporation, LLC or other form that will offer greater protection. Your business lawyer is the appropriate person to discuss what business entity is appropriate for your particular needs.

Actual Resolution of legal issues depends upon many factors, including variations of facts and state law. This newsletter is not intended to provide legal advice on specific subjects, but rather provide insight into legal development and issues. The reader should always consult with legal counsel before taking action on matters covered by this newsletter.



The law firm of **LOVAAS & LEHTINEN, P.C.**, is located in the Charleston and Interstate 15 business corridor in Las Vegas, Nevada. The firm primarily acts as an advocate for its clients in general civil litigation, with an emphasis in construction, surety, real estate, and other commercial litigation controversies. While our primary focus is litigation, we also engage in strategic planning with clients so they may avoid future controversies, litigation and other legal challenges.

Our practice also includes counseling clients regarding construction, real estate transactions, other business transactions, and forming new businesses for clients. Our goal is to advance our clients' interests as quickly and efficiently as possible. Our clients include insurance companies, banks, corporations, small business owners, and individuals from every walk of life. We take pride in solving our clients' challenges through practical, creative and effective counseling and advocacy. We always strive to meet or exceed the standards of conduct contained in The Clark County Bar Association's Lawyer's Pledge of Professionalism

Contact Us

We encourage you to contact us if you have any questions or comments or need any assistance with your business planning or any other legal matters. We also encourage you to visit our website at www.lovaas-lehtinen.com to find out more about our firm.

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