

# Corporation Terminology

## *Understanding The Principles*



**Asset protection** is a set of legal techniques and a body of statutory and common law dealing with protecting assets of individuals and business entities from civil money judgments. The goal of all asset protection planning is to insulate assets from claims of creditors without concealment or tax evasion.

**Registered Agent**, also known as a resident agent or statutory agent, in United States business law, is a business or individual designated to receive service of process (SOP) when a business entity is a party in a legal action such as a lawsuit or summons. The registered agent's address may also be where the state will send the paperwork for the yearly renewal of the business entity's charter. The registered agent for a business entity may be an individual member of the company, or (more often) a third party, such as the organization's lawyer or a service company. Failure to properly maintain a registered agent can affect a company negatively. Therefore, it is vital to maintain the Corporations annual renewal fee.

**Renewal Fee** - Corporations and Limited Liability Companies renew annually. Business Licensing Service will send a renewal notice to the licensees' registered agents approximately 45 days before their license expires. In your case, your servicer is Trinity Debt Management Services. It's the licensee's (yourself), responsibility to renew on time, whether you receive the renewal notice or not.

The Corporation or Limited Liability Company (LLC) renewal is provided by the Business Licensing Service as a renewal agent for the Office of the Secretary of State. This also maintains the security of the corporations assets, as well.

**Nominee Officer** - Corporations in the State of Nevada have used Nominee Officers for approximately 70 years. Typically, this service provides the name and signature of a nominee on the annual list of officers filed with the Secretary of State, the only state-mandated public record of the corporation.

The use of a nominee service is a very important factor in most of the strategies used by corporations. A nominee Officer, or corporate Director, has no authority to act for the corporation except as a nominee signatory. When the Articles of Incorporation and Corporate Bylaws are formed, the corporation appoints a nominee officer to act as signatory and constrains them to a controlled set of authorized duties.

By using our nominee service, you can provide your corporation with nominee officers and directors, enabling you to keep your name off state public records. This service provides a layer of isolation between your assets and potential lawsuits by effectively removing assets from your name.

**The Articles of Incorporation** - (sometimes also referred to as the Certificate of Incorporation or the Corporate Charter) are the primary rules governing the management of a corporation in the United States and Canada, and are filed with a state or other regulatory agency.

**Bylaws** - are a set of rules adopted by an organization or assembly for governing its own meetings or affairs. There are three general types of rules that are often included within bylaws:

1. Definitions of organizational structure.
2. Descriptions of the rights and duties of members. An organization's bylaws are intended to detail the rights and duties of the members within the organization and the extent to which the general membership retains control, or to be relieved of detailed concern with, the organization's business.
3. Descriptions of the group's decision-making process. Before a group-decision can be made, the group must agree on what constitutes a decision, what is the process for reaching this decision, and how much agreement must exist before the decision can be regarded as reflecting the will of the group.

**Sole Incorporator** - is a documented list of all parties authorized to conduct banking transactions on behalf of the Corporation. The business bank will require proper identification of all parties designated on the account such as current Driver's license and social security card.

**Bearer Share** - An equity security that is wholly owned by whoever holds the physical stock certificate. The issuing firm neither registers the owner of the stock, nor does it track transfers of ownership. The company disperses dividends to bearer shares when a physical coupon is presented to the firm. In the case of business corporations, a bearer share certificate can be sold to an investor of the business to own a percentage of ownership of the company's profits. For Asset Protection, the entire bearer share certificates are retained by the sole owner of the corporation.

**Corporate Officer** - In business, a corporate officer is typically the president, vice president, secretary and treasurer of a corporation. Become a corporate officer by getting elected to the board of directors with tips from a lawyer in this free video on business law.

**Employer Identification Number** (EIN) is also known as a Federal Tax Identification Number, and is used to identify a business entity. Generally, businesses need an EIN. You must check with your state to make sure you need a state number or charter.

**Good Standing Certificate** - Business entities use certificates of good standing to prove they are incorporated and authorized to do business in Ohio. The good standing status signifies an entity is current with the filing requirements of the secretary of state's office, as well as being current with the entity's corporate franchise taxes. During the financing process, banks will often require a certificate of good standing from a business. The secretary of state's online system allows users to request and print a certificate in minutes, saving Ohio businesses valuable time.

