



## Moving at the Speed of Business™

*The Official SA Newsletter - Issue 1 - July 2008*

Dear Clients and Friends:

We are pleased to launch our new concept newsletter, "Moving at the Speed of Business™," to provide information and news bullets on key legal and business topics for business owners, executives, and entrepreneurs. We hope you enjoy it.

### SA Info Bullets

- 1. Don't Take Any Chances! -- Sign Non-Disclosure Agreements.** Any time you share confidential business information with anyone, including interns, employees, consultants, and prospective business partners, you should make sure that you are covered by a Non-Disclosure Agreement (NDA), before disclosing such information. Having a policy and practice of signing NDA's will (i) help to protect your company's most valuable assets from misuse; and (ii) help to build your company's reputation as serious and professional. For essential information on NDA's, please visit [www.salaws.com](http://www.salaws.com)
- 2. It Can Come Back to Bite You -- Sign and Date Your Legal Documents.** Anecdotal evidence shows that business owners, executives, and entrepreneurs often forget to (i) fill in the date blanks, (ii) obtain all required signatures, and (iii) keep an original fully signed and dated copy of final legal documents, including contracts, resolutions, letters, and the like. If this happens at your company, a year or two after the document's effective date, you may be in trouble. This simple omission often results in unnecessary legal fees, diverted management resources, and an avoidable increase in your company's risk profile. Make sure to sign and date all of your legal documents on the date of execution.
- 3. LLC vs. Traditional Corporation -- Which Business Form Should You Use?** Due to their flexibility, many business owners are choosing to register their new businesses as Limited Liability Companies (an "LLC"), instead of traditional corporations (either a "C" Corporation or an "S" Corporation). An LLC can be formed quickly, provides the same legal protections for the owners as a corporation, and -- LLC's with two or more owners (known as "members" in LLC lingo) -- are treated for tax purposes like partnerships. The favored states for registering LLC's for New York based businesses are Delaware and New York. Instead of "Bylaws", the LLC's governing legal document is called either an "Operating Agreement" or an "LLC Agreement."

### SA News Bullets

- **SA Business Briefing Breakfast Series Launched Successfully.** Please join us for our next breakfast in the series on **Wednesday, July 30th, 2008 at 8:15am**, entitled: **"Deal Making 101: How to Lock in the Key Terms of Your Deal, While Retaining Flexibility -- Is the Back of a Napkin Good Enough?"** Please visit our website at [www.salaws.com](http://www.salaws.com) for registration information.
- **New York City Tops List for Foreign Real Estate Investments.** The annual survey of the Association of Foreign Investors in Real Estate (AFIRE), named New York City as the top global city for real estate investment and the US as the most stable and secure country for real estate development.
- **Stock Option Backdating-- The SEC Crackdown is Still in High Gear.** Analog Devices, Inc., a Massachusetts high tech company, will pay \$3 million in civil penalties and its CEO will pay \$1.5 million in various penalties for stock option backdating. In *SEC v. Analog Devices, Inc.*, Analog and its CEO were charged with making in-the-money option grants (priced at lower exercise prices than were allowed by the company's option plan) to executives, directors, and employees, without disclosing this practice in the company's annual reports.

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