

CAN I BE MY OWN AGENT FOR SERVICE OF PROCESS?



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If you own or operate a corporation, limited liability company (LLC), or limited partnership (LP), one of the main [legal compliance](#) steps you'll need to address is the appointment of an agent for [service of process](#) (SOP).

SOP is the procedure through which a person filing a lawsuit against a business provides that party with notice of the claim or dispute. Notice is provided to an [agent for service of process](#), essentially an individual or business organization appointed by your business who is authorized to receive legal documents on the principal's behalf.

However, a [registered agent](#) or agent for service of process deals with much more than the receipt of the summons and complaint. They also receive the following important documents:

- › Wage garnishment orders
- › Compliance correspondence from the government for annual report and tax filings
- › Subpoenas for testimony or company records
- › Liens
- › Court summons

That's [quite a responsibility](#). Handled improperly, legal papers and other important documents can put your business at risk.

THE IMPORTANCE OF PROPER HANDLING OF PROCESS

Handling the legal documents that are served on a business in an accurate, reliable, and timely manner is critical to reducing the risk of default judgments. Similarly, other documents such as [annual reports](#) must be handled in a similar fashion to ensure your company maintains good standing.

That's because the delivery of legal documents via a SOP triggers important timelines and other legal obligations. If you fail to deal with these in a timely manner, there may be serious consequences for your business or the person for whom the document is intended. For example, failing to respond promptly to a summons and complaint can result in a costly default judgment being entered against the person or [entity being sued](#). A court may even punish an entity or person with contempt for failing to comply with subpoenas and other court orders.

continued on page 2

WHO CAN RECEIVE SERVICE OF PROCESS?

A key part of organizing your business, whether as a corporation or LLC, is the [appointment of an agent](#) for service of process (aka registered agent, statutory agent, resident agent). State law requires this person be maintained in the state in which your business is incorporated or formed, and in each state in which it is registered (aka qualified) to do business.

An agent for SOP can be an individual or an entity, such as a corporation. In a legal dispute, a plaintiff doesn't have to serve papers on the registered agent. SOP rules typically allow an officer, managing agent, general agent, or other persons authorized by your company or by law to receive SOP documents. However, plaintiffs often prefer to serve to registered agents, for two reasons:

1. **A registered agent is easier to locate.** A plaintiff need only check the Secretary of State's records to find their name.
2. **Serving a person other than the registered agent can be costly.** Time-consuming and expensive disputes can arise if there is any doubt as to whether the person served was authorized by the defendant to receive process on its behalf.

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This is a common question asked by businesses operating as [corporations](#) or [LLCs](#). The answer is generally yes. (Note that in most states the corporation or LLC itself may not be its own registered agent. But it can name its owner, an officer, employee or other person associated with the entity.)

If you or the person you want to designate has an office in the state where you are organized or qualified to do business, that person can serve as an agent for SOP.

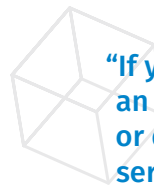
However, doing so is a risky move.

For example, if a process server comes to deliver documents and you're not there to receive it (or if you receive it and mishandle it), you may face fines, penalties, and legal repercussions. The same risks are introduced if that person leaves the business, dies, moves out of state, or otherwise can no longer serve as a registered agent and the state is not notified and a new agent is appointed.

If you're in any doubt as to whether you can be your own agent for SOP, bear the following in mind:

- Registered agents must be physically present at the office during normal business hours, year-round.
- Your business must have expert, trained professionals on staff who will recognize important documents and relay them to the correct individuals.

The consequences of failing to meet these criteria can be devastating. Consider these scenarios taken from actual court decisions:



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- **Inbox Overflow** – An assistant receives documents and drops them into an inbox. The agent for SOP fails to check the inbox and a \$150,000 default judgment is brought against the LLC.
- **Out of Office** – An individual agent is out of the country for weeks. A \$29,000 default judgment ensues.
- **Mailroom Mix-Up** – A company receives documents, but legal counsel never saw them. With over \$7.5 million in damages at issue, a default judgment is served.

These are just some of the [risks inherent in choosing an individual as your registered agent](#).

BENEFITS OF CHOOSING A PROFESSIONAL REGISTERED AGENT SERVICE

At the end of the day, it's up to you to decide if you want to act as your own agent of SOP—although, it's worth getting the advice of counsel on this matter also.

Alternatively, consider the benefits of working with a [professional registered agent service](#).

A registered agent service can eliminate the burden of handling important legal documents promptly and correctly, and reduce the financial [risk of non-compliance](#) to your business.

continued on page 3

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Registered agent services can connect you with professionals who are trained on service of process. Agents are available during all business hours with a discreet address that protects your privacy and keeps process servers away from your business. In addition, you'll benefit from compliance alerts and other services that help you [manage your business](#).