
SELECTING YOUR COMPANY'S REGISTERED AGENT



“The right professional services company can help you stay in compliance and make sure all of your documents are handled correctly.”

Selecting your company's registered agent is a vitally important step in the formation process. Just like with other important decisions – such as choosing an entity type, or the company's name, or whether the company will be taxed as a pass-through or separate entity – making the wrong choice can severely damage the business.

Every state requires domestic and qualified foreign corporations and LLCs (and most other kinds of statutory business entities too) to appoint and continually maintain an in-state registered agent (also known as an agent for service of process, statutory agent, or resident agent).

The registered agent's role is to accept, on the corporation or LLC's behalf, certain court documents, such as the summons and complaint that initiates litigation, or garnishments or other court orders. In addition, the states will send compliance information and official correspondence to a company through the registered agent. This could include annual report, tax or other correspondence that impacts a company's compliance status.

Although states vary in their precise requirements, most require that a registered agent be either a resident individual or a domestic or qualified foreign corporation or LLC. The registered agent's office address typically has to be a physical address in the state – it can't be a P.O. Box or a virtual office. One of the main ways summons and complaints are served on a registered agent is by personal, in hand delivery. Therefore, a physical address is required, at which the registered agent is available during business hours.

Essentially, the state wants a contact – name and address – for your company that's reliable and available. The registered agent's name and address are kept on file by the secretary of state (or other state agency in charge of business entity filings) and are available to the public. This protects both the public – by allowing it to find the companies with which it interacts, and the company – by ensuring it receives critical documents on a timely basis. Often the court or governmental official documents include deadlines or timelines for responding.

CT Tip

Some business owners, particularly small business owners, may want to act as their corporation or LLC's registered agent. But if your business requires you to move around or you have a mobile office, a professional service company as your registered agent helps you receive critical documents and information – and have the time to respond to it.

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The need to appoint and continually maintain a registered agent, and to inform the state in a timely manner if either the registered agent or its address changes, are required by law, and the states may impose penalties for failure to comply. Aside from those statutory penalties, not having a competent registered agent can lead to other negative consequences such as default judgments if complaints are not responded to in time, or a loss of good standing if an annual report is not filed or franchise taxes paid in a timely manner.

WHAT TO LOOK FOR WHEN CHOOSING YOUR COMPANY'S REGISTERED AGENT

Among other things, your registered agent should be reliable, accurate and consistent. Your registered agent should:

- ▶ always be available and physically present at the registered office during normal business hours. This ensures any hand-delivered legal documents get proper attention,
- ▶ know your state's business entity and compliance rules. Each state's rules differ.
- ▶ have professionally trained staff with expert knowledge on how to properly handle and forward SOP papers.
- ▶ have state-of-the-art processes in place to deliver crucial documents to you, and to follow-up with you regarding delivery, and,
- ▶ have offices in the states where the business may expand into as you will be required to have a registered agent in order to register to do business in those states.

CT Tip

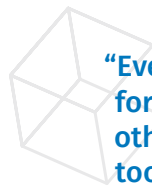
Your registered agent should be someone who will always be physically present at the registered office during normal business hours. Having a professional Registered Agent ensures that things such as personal emergencies, vacations, business trips, and meetings never leave your company without this physical presence. Keep in mind, a lawsuit can proceed against you, even if your registered agent is not available to receive service. You may lose the opportunity to defend yourself in court or incur extra legal fees.

In addition to the registered agent's statutory responsibilities of receiving and forwarding documents, professional service companies, like CT, often provide a full range of services for LLCs, corporations and other types of business entities to help them with their compliance needs.

The right professional services company can help you stay in compliance and make sure all of your documents are handled correctly.

Full-service registered agent services typically:

- ▶ provide automated entity monitoring tools and services,
- ▶ present information on new compliance procedures,
- ▶ give you notice if your good standing ever changes, so you could promptly address any problems as soon as possible,



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- ▶ monitor and track state-by-state compliance events, changes and developments,
- ▶ provide expert, personal guidance on business compliance issues, and,
- ▶ help you file documents with the state filing office to complete transactions such as amendments, mergers, or foreign qualifications

For example, if a corporation or LLC misses an [annual report filing](#) (which isn't hard to do when you're busy), that oversight jeopardizes its good standing status – and needs immediate attention before the problem worsens. Monitoring services help prevent these kinds of problems.

As you can see, it matters who you choose as the designated registered agent for your [LLC](#) or corporation. Having the right registered agent for your company helps you keep your business entity compliance in good shape – and your business in good standing.