



Rate Sheet

All Rates Subject to Change; Please Confirm Current Rates

Attorneys Fees, Hourly Rates

My Hourly Rate:\$ To Be Quoted; Depends on Scope of Services

Support Staff

Paralegal:\$100-\$150

Office Costs May be Billed Separately

Entity Filings

Some things you should know before you form your entity:

By forming an entity in California, and most other states, it will create an additional amount of overhead for your business. The following is a list of possible additional expenses you may incur just by forming an entity in California, or any other state:

1. Your entity is going to require its own (a new) Tax (Employee) Identification Number, or EIN. You cannot use your existing EIN for your new entity. Any account (e.g., payroll, other vendors) using your existing EIN will need to be updated to reflect the new EIN for your entity. Essentially, it's like your existing business is starting like it's a new business.
2. Your entity may require its own tax return.
3. **Your entity will need to register for a business license in the city in which it's located, does business from, or does business in. Please consult with your CPA/accountant to be in compliance with this requirement.**
4. Your entity may require a payroll service, even if you're the only owner.
5. Your entity, if a corporation, will need to prepare and file in its corporate records binder a set of annual minutes or consents, which are typically drawn up by an attorney but may be DIY'ed if you want.
6. Your entity, in California, will be required to file a Statement of Information, annually for corporations, bi-annually for LLCs. Most states require some kind of annual reporting.
7. If this is an ongoing business, you will need to assign/transfer all contracts and open transactions to the entity if you want the entity to provide its personal liability protections and tax advantages, if any.
8. **Your entity will require its own new bank account with its new Tax Identification Number.**
9. If the business operates from a rented space, that lease will need to be transferred to the entity (and you will likely be asked to provide a personal guarantee).
10. Unless the entity you form is a single-member LLC, then it's going to require its own tax return (CPA/Accounting fees).
11. We do not advise on your entity's choice to elect to be taxed as an S Corporation. That advice needs to come from a/your CPA/tax advisor.
12. If your entity is performing certain professional services (e.g., lawyer), it will need to comply with the governing body's corporate/entity requirements and may require you file certain paperwork with the governing entity to register the entity. We do not typically provide that service since our clients are usually better positioned to fill out the forms. Such government entity may also charge a filing fee and an annual fee, as well as requiring an annual report.
13. **Entities in California are required to pay a minimum \$800 per year for every year it's in business, currently excluding its first year, regardless of its revenue levels. This amount is not included in your flat fee with us and will need to be paid separately; please consult with your tax preparer. FIRST YEAR CURRENT EXCEPTION: For tax years beginning on or after January 1, 2021, and before January 1, 2024, LLCs that organize, register, or file with the Secretary of State to do business in California are not subject to the annual tax of \$800 for their first tax year.**

Those are most of the items you'll need to consider before you move forward with the formation. If you have any other questions, please give us a call. Or you can also take a look at the helpful FAQs on our website: <https://www.davidherzoglegal.com/faqs/>

Entity Formation

* See Additional Information on Page 8

LLC Formation

Single-Member LLC Formation **\$990**

Includes the following:

- ✓ California filing
- ✓ Attorney Formation Counseling
- ✓ Articles of Organization
- ✓ Secretary of State Filing Fees
- ✓ ALSO INCLUDES THE FIRST POST-FORMATION REQUIRED STATEMENT OF INFORMATION WITH SECRETARY OF STATE (INCLUDES FILING FEE)
- ✓ Business Records Book
- ✓ Company Seal
- ✓ Company Certificates

Also includes if checked in the formation checklist:

- ✓ Obtaining Federal Tax ID Number (EIN) from the IRS
- ✓ David Herzog Legal acting as required Agent for Service of Process

- × Hourly Rates apply for attorney advice and document drafting (such as for the operating agreement) which is not included in the flat rate

Additional Services Which May Be Provided for an Additional Fee:

- S Corp Election calendaring, processing, handling **\$465**
(Election to be Taxed as a Small Business Corporation)
- Operating Agreement – Simple Operating Agreement to **\$465**
satisfy possible recording, bank or title needs
-Complex Operating Agreement quoted at hourly rates
- Deeding California properties is provided for a flat fee **\$775**
per property, which includes recording fees
- Limited Offering Exemption Notice (25102(f))

Amount of Contribution	Fee (includes State Filing fee)
\$ 25,000 or less	\$125
\$ 25,001 to \$100,000	\$135
\$100,001 to \$500,000	\$150
\$500,001 to \$1,000,000	\$250
Over \$1,000,000	\$400

Multi-Member LLC Formation **\$1,260**

Includes the following:

- ✓ Attorney Formation Counseling
- ✓ Articles of Organization
- ✓ Secretary of State Filing Fees
- ✓ Obtaining Federal Tax ID Number from the IRS
- ✓ Business Records Book
- ✓ Company Seal
- ✓ Company Certificates
- ✓ David Herzog Legal acting as required Agent for Service of Process
- ✓ ALSO INCLUDES THE FIRST POST-FORMATION REQUIRED STATEMENT OF INFORMATION WITH SECRETARY OF STATE (INCLUDES FILING FEE)
- ✓ Price includes fees for LLC for up to **three** members; LLCs with more than three members quoted separately;
- ✓ If you are a married couple and treating your ownership as community property, and you are not filing your holding as a partnership, then your LLC will be considered one-member for billing purposes.

Excludes:

- × Hourly Rates apply for attorney advice and document drafting (such as for the operating agreement) which is not included in the flat rate
- × Excludes any drafting for multiple-partner Operating Agreement; drafting billed at hourly rates

Additional Services:

- S Corp Election calendaring, processing, handling **\$465**
(Election to be Taxed as a Small Business Corporation)
- Operating Agreement – Simple Operating Agreement to satisfy possible bank or title needs **\$465**
-Complex Operating Agreement quoted at hourly rates
- Deeding California properties is provided for a flat fee **\$775**
per property, which includes recording fees
- Limited Offering Exemption Notice (25102(f))

Amount of Contribution	Fee (includes State Filing fee)
\$ 25,000 or less	\$125
\$ 25,001 to \$100,000	\$135
\$100,001 to \$500,000	\$150
\$500,001 to \$1,000,000	\$250
Over \$1,000,000	\$400

Corporate Formation

- Single-Shareholder Corporate Formation** **\$1,265**
Includes the following:
 - ✓ Attorney Formation Counseling
 - ✓ Articles of Incorporation
 - ✓ Secretary of State Filing Fees
 - ✓ Obtain Federal Tax ID Number from the IRS
 - ✓ Corporate Records Book
 - ✓ Corporate Seal
 - ✓ Corporate Certificates
 - ✓ Articles of Incorporation
 - ✓ Corporate Bylaws
 - ✓ Organizational Minutes
 - ✓ David Herzog Legal acting as required Agent for Service of Process
 - ✓ ALSO INCLUDES THE FIRST POST-FORMATION REQUIRED STATEMENT OF INFORMATION WITH SECRETARY OF STATE (INCLUDES FILING FEE)
- × Hourly Rates apply for attorney advice and document drafting exceeding one hour

Additional Services:

- S Corp Election calendaring, processing, handling **\$465**
 (Election to be Taxed as a Small Business Corporation)
- Limited Offering Exemption Notice (25102(f))

Amount of Contribution	Fee (includes State Filing fee)
\$ 25,000 or less	\$125
\$ 25,001 to \$100,000	\$135
\$100,001 to \$500,000	\$150
\$500,001 to \$1,000,000	\$250
Over \$1,000,000	\$400

Additional Services Provided for the Transfer of Ongoing Businesses:

- IRC Section 351 Minutes and Bill of Sale for Transfer of Ongoing Business **\$250**
- Assignment/Assumption of Contracts/Liabilities & Bill of Sale Hourly
\$150 min.

- Multi-Shareholder Corporate Formation** **\$1,565**
- ✓ Attorney Formation Counseling
- ✓ Articles of Incorporation
- ✓ Secretary of State Filing Fees
- ✓ Obtain Federal Tax ID Number from the IRS
- ✓ Corporate Records Book
- ✓ Corporate Seal
- ✓ Corporate Certificates
- ✓ Articles of Incorporation
- ✓ Corporate Bylaws
- ✓ Organizational Minutes
- ✓ David Herzog Legal acting as required Agent for Service of Process
- ✓ ALSO INCLUDES THE FIRST POST-FORMATION REQUIRED STATEMENT OF INFORMATION WITH SECRETARY OF STATE (INCLUDES FILING FEE)

Additional Services Provided:

- S Corp Election (Election to be Taxed as a Small Business Corporation) **\$465**
- Limited Offering Exemption Notice (25102(f))

Amount of Contribution	Fee (includes State Filing fee)
\$ 25,000 or less	\$125
\$ 25,001 to \$100,000	\$135
\$100,001 to \$500,000	\$150
\$500,001 to \$1,000,000	\$250
Over \$1,000,000	\$400

Additional Services Provided for the Transfer of Ongoing Businesses:

- IRC Section 351 Minutes and Bill of Sale for Transfer of Ongoing Business **\$100**

Limited Liability Partnership (LLP) Formation

- ❑ **LLP Formation** **\$1,375**
 - Includes the following:*
 - ✓ Attorney Formation Counseling
 - ✓ Secretary of State Filings
 - ✓ Obtain Federal Tax ID Number from the IRS
 - ✓ Expedited Turnaround Service Fees (includes Secretary of State counter service fee)
 - ✓ Business Records Book
 - ✓ Partnership Seal
 - ✓ David Herzog Legal acting as required Agent for Service of Process

- Additional Services Provided:*
- ❑ For Attorneys: State Bar of California Certification **\$850**
 - Preparation/Filing (excludes filings fees of \$50 per partner)
- ❑ Hourly Rates apply for attorney advice and document drafting (partnership agreement, etc.)

Corporate Dissolution

\$1,565.00

Services include the following:

- ✓ The required filings with the Secretary of State;
- ✓ Corporate resolutions to dissolve;
- ✓ Notice to creditors of the dissolution;
- ✓ Filing fees;
- ✓ Acting as claims recipient.

Services exclude the following:

- × Tax advice;
- × Tax filings;
- × Bankruptcy/Insolvency advice;
- × Multiple shareholder dissolution and asset distribution negotiation, including any settlement agreement;
- × Negotiating claims with creditors;
- × Publication of legal notice of corporate termination in a local newspaper of general circulation unless separately agreed to in writing.

* ADDITIONAL INFORMATION FOR ENTITY FORMATIONS

- All costs and fees set forth above are for California filings and entities on a routine turnaround basis, using the filing service at the Secretary of State counters. **For 24-hour rush/expedited service for formation and amendment filings, add \$625.00;** documents must be submitted to **David Herzog Legal** in a filing-ready format by 3:30 p.m. on the filing day for filing to be returned the following day. Rush fee includes Secretary of State rush charges.
- **S Corporation Filing.** We do not automatically file S Corporation elections for your corporation or LLC. Please be sure, if such election is desired, that such election is part of the fee agreement when you sign.
- **Flat fee does not include** advising on or obtaining business licenses, fictitious business names statements (DBAs), permits, bonds, or insurance; obtaining a federal Employer Identification Number unless specifically provided for; reviewing proposed leases; or drafting employment agreements, sales agreements, or shareholder buy-sell agreements, all of which services I can provide on an hourly basis with an initial estimate of fees.
- **Rates for bylaws include standard bylaws,** and do not include operating agreements (for example, those operating agreements which may require connection to private offering and/or subscription documents).
- **Buy-Sell Agreements and complex Operating Agreements (LLC Agreements)** are not included in the entity flat fees and are separately.
- **Non-Standard LLC & Corporate Formations** are billed on an hourly basis; prices do not include any annual State tax or fee.
- **California Entity Conversions:** add \$50.
- **Out of State Dissolutions/Cancellations.** Though we quote those fees separately, typically we charge a flat fee of **\$475.** This includes our fee, the filing fee, and the fee charged by our local agent who files the cancellation personally so as to expedite and confirm filing, rather than waiting for confirmation in the mail or online. Our fee does not include taxes or other filing fees you owe at the time of cancellation.
- **Out of State Filings:**
 - **Nevada Entities.** Add \$250 for initial corporate or LLC filing. See general out-of-state information; David Herzog Legal does not offer Agent services for out-of-state formations.
 - **Delaware:** Add \$75 for corporate and LLC filings.
 - **General Out-Of-State Information:** Other entities quoted separately; if filing in Delaware (or any state other than California) but having a business presence in California, add \$465 to file as a foreign entity in California; foreign corporations are required to file Statements of Information and pay FTB Minimum Tax like any domestic corporation. To expedite a filing in Delaware, add \$475. Rates quoted for Delaware do not include the filing fee or tax for the Annual Filing (in Delaware) - minimum \$125 annually. Prices quoted exclude cost for out-of-state agent for service of process, which must be through a registered agent in that state. A referral can be provided. You will need to have this in place to file your out-of-state entity. Delaware rush turnarounds are available; add \$475. The fee does not include registration fees or annual filings with Division of Revenue, the Division of Unemployment Insurance and the Office of Workers Compensation, among any others not specifically set out in this rate sheet. These prices do not include filing in California, or any other state, where you may need to file as a “foreign” entity.
- **Foreign Corporation Filing.** If you are filing as an entity in one state, but you’re principal place of business is in another, you may need to file in the second state as a foreign entity. Foreign entity filings in California are quoted separately, but are generally **\$375.00 to \$800.00.**
- **Out of State Agent For Service of Process.** As of the date of this Agreement, the cost for having an agent for service of process is around \$189, though David Herzog Legal does provide this service for its clients at no charge in California.
- **IF YOU HAVE ASKED US TO SUBMIT YOUR CORPORATION ON A ROUTINE FILING, WITH A DELAYED EFFECTIVE DATE, YOUR CORPORATION WILL BE FILED**

EFFECTIVE AS OF THE FUTURE EFFECTIVE DATE. HOWEVER, AS IT IS A ROUTINE FILING, AND NOT A RUSH, YOU WILL NOT RECEIVE YOUR PAPERWORK BACK UNTIL SOMETIME SEVERAL DAYS (OR, IF AT THE BEGINNING OF THE YEAR, SEVERAL WEEKS) OR LONGER IF THERE ARE GOVERNMENT SHUTDOWNS OR FURLOUGHS. THE RETURN OF THE FILING IS PAPERWORK THAT WILL BE NEEDED TO OPEN A BANK ACCOUNT, AMONG OTHER THINGS.

- **Rates do not include Franchise Tax Board Annual Minimum Tax of \$800**, which is payable for each year the entity is in existence, whether it is active, inactive, operates at a loss or does not do business. We do not pay that fee; please consult with your CPA or accounting professional.
- **Filings for entities outside of California** quoted separately, and may be billed at a flat rate, hourly, or some combination.
- **Assignments of contracts, assets, and leases to the entity** by an ongoing business are billed hourly. Any loans to the company to be evidenced by promissory notes are billed separately and usually hourly.
- **FOR REAL ESTATE LLCs OR CORPORATIONS**, deeding California properties to your entity is provided for a **flat fee of \$775** per property, which includes recording fees. This does not include an Operating Agreement, which may be required by the recorder's office if you want to be exempt from reassessment based on no change in ownership percentages. Deeding out-of-state properties is quoted separately. This also does not include any transfer taxes which may be due; unless specifically stated, we have not advised you with regard to reassessment related to any property transferred.
- We are not responsible for any due diligence that may be required for forming your entity.
- We are not responsible for determining whether your profession may, at some point, require licensure, and thereby make your LLC ineligible for operating as an LLC, therefore requiring a conversion to a corporation.
- **PROFESSIONAL CORPORATIONS:** Any entity providing professional services, or formed as a Professional Corporation, **add \$750**. Additionally, some professional corporations are required to register their corporation with their governing body. The registration, and the cost associated with that, are quoted separately and are not included in the flat fee. Additionally, if you choose a corporate name that triggers the requirement for you to have a fictitious name permit by your governing body, the costs and time associated with that application is not included in the flat fee. **LAW FIRMS:** The above fee does not include registration of your law corporation with the California State Bar, which is required. Our flat fee for processing and filing the law corporation registration, including costs, is **\$750**.
- **Real Estate Brokers and agents:** The fees do not include the California Department of Real Estate filing requirements for California real estate corporations, including filing Form RE201, Corporation License Application. Typically the client will complete this phase, since the information required is mostly information in control of the applicant. <http://www.dre.ca.gov/Licensees/Corporation.html>

ESTATE PLANNING

- | | |
|-------------------------------------------------------------------------------------|----------------------------------------------------|
| <input type="checkbox"/> <u>Living Trust with Will</u> | \$3,800.00 |
| <input type="checkbox"/> <u>Will (without Living Trust)</u> | \$765.00
(for simple will, no trust provisions) |
| <input type="checkbox"/> <u>Durable Power of Attorney (Financial Management)</u> | \$725.00 |
| <input type="checkbox"/> <u>Advance Health Care Directive</u> | \$775.00 |
| <input type="checkbox"/> <u>Real Estate Transfer Deed Preparation and Recording</u> | \$1,875.00
(includes recording fees) |
| <input type="checkbox"/> <u>Irrevocable Life Insurance Trust (ILIT)</u> | \$4,950.00 |
| <input type="checkbox"/> <u>Trust Amendment</u> | \$hourly |

Entire Estate Plan without ILIT: \$4,750.00

Entire Estate Plan without ILIT or any property transfers: \$4,500.00

Additional Property Transfers to Trust (after \$1,875 for the first): \$1,250.00 (per property)

All estate plans comprising of a Living Trust, Will, Durable Power of Attorney, and Advance Health Care Directive include the following:

- ✓ Estate Planning Organizer Binder
- ✓ Comprehensive Instruction Letter
- ✓ Additional Hourly Rates Apply to Estates Exceeding the Current Estate Tax Exemption Amount

The foregoing prices are **for a single individual**, one parcel of California real estate, and some personal property, including small business ownership interest.

Larger estates are quoted separately.

Domestic Partners (registered or otherwise) add \$895 for an additional trust, if provided.

Married couples (or RDPs), add minimum \$1,000.

Any and all of the foregoing costs and filing fees are not within our control and are subject to change without notice.