

West's

AUTOMATED PRACTICE SERIES

FLORIDA CORPORATIONS SYSTEM

A Step-by-Step Systems Approach to the
Efficient Formation and Maintenance
of Florida Corporations

Designed for Use With Word
Processing Equipment

By
JAMES W. MARTIN
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PREFACE

This Manual with its forms and checklists has been prepared to assist lawyers and their staffs in efficiently forming and maintaining corporations under the Florida General Corporation Act (Chapter 607, Florida Statutes). Professional service corporations (P.A.'s) and non-profit corporations are not included in this Manual due to the special provisions required in their organizational documents.

Not every form or procedure relating to corporations is included in this Manual. In order to keep the system as simple to operate as possible, only those forms and procedures which are used in most cases have been included. Thus, the Manual is based on the "80% Test" in that a form or procedure must be used in at least 80% of the corporations formed to be included in the system.

Although the forms should meet the lawyer's usual requirements, they are primarily included to illustrate the procedures of the system. No form should be used and no procedure should be followed unless the lawyer understands it and decides that it applies to his or her practice. Each lawyer's practice differs in some respects, so each user should plan to make changes to these forms and procedures accordingly.

The author has made every effort to make this Manual complete and accurate. Any corrections, comments, or suggestions that the user may have after using this Manual will be appreciated and may be sent to the publisher.

JAMES W. MARTIN

St. Petersburg, Florida
January, 1984

ACKNOWLEDGMENT

The author's purpose in writing this Manual is to apply systems techniques to the practice of law. Such techniques, although often used in other disciplines, had not been tried in law practice until the last few years. The lawyers who first published their use of those systems have inspired the author in writing this Manual and are acknowledged below:

Bernard Sternin, whose foresightful use of automatic typing paved the way for the use of word processors in law practice and whose clear thought and intensity has been an inspiration to lawyers all over the country; Kline D. Strong, whose pioneering efforts with the first published substantive legal systems sparked the author's interest in their possibilities; Rohan Kelley, who showed that a lawyer with a lot of determination could systematize an area as complex as probate; Roberta C. Ramo, who, with co-editors Kline Strong, Bernard Sternin and Harold Boucher, brought the legal profession "How To Create-A-System For The Law Office", thus showing that one could even systematize the creation of a system; and Robert P. Wilkins, whose system manuals for estate planning show that systems can greatly assist the lawyer in providing high quality legal services.

Then there are those lawyers who inspired the author, and many others, in their seminars in Florida and all over the country:

Samuel S. Smith, the inimitable past President of the Florida Bar who also presided over the American Bar Association's Economics Section and who delivers common sense with his humor; Jay G. Foonberg, the author of "How To Start and Build a Law Practice", the best selling book the ABA has ever published; Paul N. Luvera, Jr., whose use of delegation and systems shows that one does not need fancy typewriters to systematize law practice successfully and whose personal encouragement to the author to finish and publish this Manual will always be remembered; Albert L. Moses, who takes his systems to the computer to generate alternative solutions in estate planning (when he is not otherwise managing his time effectively); Francis H. Musselman, who gave us a glimpse of the future by showing what one could do in a large firm with the best equipment money can buy, truly an encouragement to create the systems that can run on the next generation of office machines; Richard Loftin, a computer systems analyst turned lawyer whose belief in word processing systems for the law office motivated the author to make this Manual easy to put on "diskette"; Kathryn S. Marshall, whose work on systems for billing and collection has awakened many lawyers to these necessities for successful law practice; and finally, J. Harris Morgan and James E. Brill, who have not only spoken all over the country about law office economics and management, but have shown that the lawyer in the small office can systematize the practice of law as well as the large firm lawyer and that legal assistants can be used to perform many of the tasks that are routine and inefficient for lawyers to perform.

The author thanks all of these lawyers for their contributions to efficient law practice. The author also thanks his fellow Florida lawyer, Charles F. Robinson, for chairing the Florida Bar Economic Advisory Service, which offered Florida lawyers direct, individual consulting on the management of their law offices. The Florida Bar program was unique not only by its very existence, but also by virtue of its excellent consultants J. R. Phelps and Henry A. Dykman, who have taught lawyers and their administrative assistants all over the State.

It is easy to underestimate the work involved in the writing of a book; unfortunately, it is even easier to underestimate the effort necessary to write a book about a system which you have been using for years. To say that this Manual went through a number of drafts is understatement. During two years of research and writing, draft after draft of the Manual was typed, tried and retyped. It is truly a fact that this Manual may have never been completed without the IBM Displaywriter. With it the author was able to draft the Manual on the Displaywriter and revise the draft over and over again without retyping. This saved an enor-

ACKNOWLEDGMENT

mous amount of time and made it possible to completely revise the entire system once a day, three or four times a week.

For that reason, the author thanks IBM for its Displaywriter and encourages IBM to continue to upgrade its software so that lawyers can fully utilize that word processor for systematizing their offices. The author is especially grateful to Robert Koster at IBM headquarters and to the staff of the Tampa Bay IBM office for their assistance with the author's Displaywriter and their patience in dealing with his constant demands for their latest equipment and software.

Finally, the author thanks his assistant, Karen Wendt, who is the best legal assistant any lawyer could ask for: able to handle with great competence and dispatch the work delegated to her in corporation, business, probate, real estate, estate planning and other areas of law; able to make the word processor sing; and most important in the writing of this Manual, able to pull together all the forms and procedures used to form corporations and to put them on diskettes.

THE AUTHOR

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The author attended the Georgia Institute of Technology and Stetson University, receiving a Bachelor of Science degree in mathematics from Stetson in 1971. He worked as a computer programmer and systems analyst on IBM computers during his undergraduate years. He then attended Stetson University College of Law in St. Petersburg, Florida and earned his J.D. in 1974.

In 1974, he became a member of the Economics of Law Practice Committee of the Florida Bar because of his interest in applying systems technology to the practice of law. He became a member of its Executive Council when the Economics Committee became a Section of the Florida Bar. He has served as Secretary of the Section and has served two years as chairman of its Seminars Committee, bringing to Florida Bar Economics Section seminars such well-known lawyers as Jay Foonberg, Bernie Sternin, Paul Luvera, Fran Musselman and Al Moses. He also served on the Economics Advisory Service Committee of the Florida Bar, which sponsored an advisory service to consult on a one-to-one basis with Florida lawyers.

The author is a member of the Florida Bar Section on Corporation, Banking and Business Law and serves on its Corporation Law Committee. He authored the 1982 amendment to the Florida Not For Profit Corporation Law. He has also been a member of the Florida Bar Taxation Section, International Law Committee and Real Property, Probate and Trust Law Section, and has served as chairman of the Economics and Law Office Management Committee of the Real Property Section.

The author is or has been a member of the American Bar Association Sections of Economics of Law Practice; Corporation, Banking and Business Law; Real Property, Probate and Trust Law; International Law; Patent, Trademark and Copyright Law; and Standing Committee on Entertainment and Sports Law.

The author supports the concept of using legal assistants to provide legal services faster, better and cheaper. He has taught courses at St. Petersburg Junior College on Corporation Law and on Law Office Management as part of its Legal Assistant degree program.

In addition to this Manual, the author has written an article entitled "How To Protect the Plaintiff in a Structured Settlement—A Business Lawyer's View", published in TRIAL magazine by the Association of Trial Lawyers of America in February, 1982, and is currently writing a book on structured claims settlements.

The author is in private practice in St. Petersburg. He has served as a member of St. Petersburg City Council and is presently secretary and general counsel to the Salvador Dali Museum.

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