

## Protect Your Assets



### Florida law—Company Compliance a Must!

By: Carlos J. Reyes, Esq.

**Under Florida law**, a court may pierce the corporate veil if a plaintiff proves both that the corporation is a “mere instrumentality” or alter ego of the wrongdoer, and that the wrongdoer engaged in “improper conduct” in the formation or use of the corporation.” Hilton Oil Transp. v. Oil Transp. Co., S.A., 659 So. 2d 1141 (Fla. 3d DCA 1995). There are at least 15 factors that have been deemed to be relevant in determining whether a corporate entity should be disregarded: **(1) the absence of the formalities and paraphernalia that are part and parcel of the corporate existence, i.e. issuance of stock, election of directors, keeping of corporate records and the like;** (2) inadequate capitalization; (3) whether funds are put in and taken out of the corporation for personal rather than corporate purposes; (4) overlap in ownership, officers, directors, and personnel; (5) common office space, address and telephone numbers of corporate entities; (6) the amount of business discretion displayed by the allegedly dominated corporation; (7) whether the related corporations deal with the dominated corporation at arm’s length; (8) whether the corporations are treated as independent profit centers; (9) the payment or guarantee of debts of the dominated corporations by other corporations in the group; (10) whether the corporation in question has been properly used by others of the corporations as if it were their own; (11) financing of subsidiary by parent; (12) informal intercorporate loan transactions; (13) parent and subsidiary’s filing of consolidated income tax returns; (14) whether subsidiary’s directors act independently in interest of subsidiary rather than in interest of parent; (15) existence of fraud, wrongdoing or injustice to third parties.

As you can see, #1 on the list? **“The absence of formalities!”** The **Reyes Law Group** wants to be your legal counsel and help you avoid this foolish occurrence. Call us today (954-369-1993) to assist you review, draft, and formalize the company documents needed to assure your corporate and/or LLC “formalities” are in place and serve to protect you all year long!

The hiring of a lawyer is an important decision that should not be based solely upon advertisement. Before you decide, ask us to send you free information about our qualifications.

*Carlos J. Reyes is the Founder and Managing Partner of the Reyes Law Group providing overall direction and management of the firm’s real estate development and transactional work (residential and commercial), asset protection practice, commercial leasing work, financing and investment counsel, business transactions and commercial litigation for clients. Mr. Reyes is AV-rated by Martindale Hubbell. For more information about the Reyes Law Group, visit our website at [www.reyeslegal.com](http://www.reyeslegal.com) or contact us at (954) 369-1993 to schedule a consultation to review your legal needs.*



**Reyes Law Group** is located in South Florida and serves the Broward, Miami-Dade, and Palm Beach county areas at 150 South Pine Island Road, Suite 210, Plantation, FL 33324. For more information about the **Reyes Law Group**, visit their website at [www.reyeslegal.com](http://www.reyeslegal.com) or contact them at (954) 369-1993 to schedule a free consultation to review your legal needs.