

In Brief



Hamburg, Rubin, Mullin, Maxwell & Lupin is pleased to announce that **Lisa A. Shearman**, an estates, tax and business planning attorney, has joined the firm. She is now a member of the firm's Estates & Trust Department.

For over 20 years, Ms. Shearman has advised clients throughout the Commonwealth on matters involving estate planning, estate administration, and tax and business succession planning. She is a member of the Pennsylvania and New Jersey Bars, and the Pennsylvania (PBA) and Montgomery Bar Associations and the Montgomery County Estate Planning Council. She serves as the National Affiliate Director of the "Wills for Heroes Foundation" – a program that provides free wills and other estate planning documents for Pennsylvania's emergency responders. She is the 2011 Recipient of the Verdina Showell Award presented by the PBA to recognize a young lawyer's outstanding community service and commitment to the Wills for Heroes Program. A graduate of Villanova's Graduate Tax Program (LL.M. 1994), Ms. Shearman received her law degree from Widener University in 1992 and her undergraduate degree from the University of Scranton in 1989.

Legal Planning for Business Startups – *Lay a Strong Foundation*

Andrew P. Grau, Esquire

When starting a business, it is important to lay a strong foundation and have a clear vision for the future. A crucial first step is analyzing the legal issues involved with creating and operating the new business. There are many legal issues to consider. It is tempting to hurry past these issues, especially with self-help services available on the internet to form your business and send you on your way. However, consulting with an attorney at the beginning can save a lot of pain, and money, later.

The first question is what type of legal entity to use. There are many types to choose from, such as a Limited Liability Company, Limited Partnership, C Corporation, and S Corporation. Knowing the differences between them will help you choose the best foundation for your business. There are important tax issues, asset protection issues and financing issues to consider.

Where a business has multiple owners, it is especially vital to have a written agreement in place, *in advance of the commencement of operations*, specifying the rules of ownership and operation of the business. This is often referred to as a Shareholders' Agreement, Partnership

Agreement or Operating Agreement, depending on what type of entity it applies to. There are many important questions and circumstances that the owners not only should, but in many instances, must consider, and they can be addressed in the owners' agreement. We can help you identify these questions and resolve potential areas of conflict before your business even begins. Several examples are:

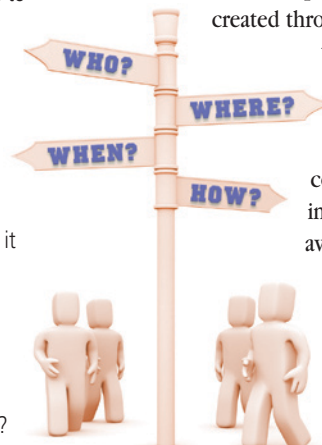
- How are decisions made within the business?
- How are profit distributions made to the owners?
- What happens if an owner dies or becomes disabled?
- What happens if an owner experiences severe financial problems?
- If an owner is bought out, how is the purchase price established? Is it paid in a lump sum or over time?
- If an owner leaves, can that person compete with the business?
- Can owners be forced to contribute more capital to the business?

Most entities provide their owners with a liability shield that protects the owners from personal responsibility for the business' debts. However, a creditor of the business can cut through this protective shield if the business is not operated correctly. This is known as "piercing the corporate veil." We can help you avoid common pitfalls and advise you how to run your business in a way that will maintain the liability shield.

There is more to starting a business than filing a couple forms. Successful businesses are created through planning – not just planning

to maximize profits, but also to navigate the legal wilderness.

We are all too often brought costly issues and problems by corporate clients to solve, which in many instances could have been avoided or minimized, had they consulted with us while their business was being formed. If you are considering starting a business, please contact our Business Department so you can lay a strong foundation. ■



ACTOS – BUYER BEWARE

Steven B. Barrett, Esquire

Do we really know what we are getting when we buy that loaf of bread or piece of furniture? Sure we can look at labels and be told the quality of what we are buying, but how do we really know that what we are being told is what we are actually getting for ourselves and loved ones. If it is a piece of furniture that we later learn we paid too much for, well, we often chalk it up as a life lesson, hoping to be smarter next time. However, this same experience is not just limited to buying some food or furnishing, but also to items that can greatly affect our health. This is the case with pharmaceutical drugs, such as *Actos*, manufactured by Takeda Pharmaceuticals.

Actos is a drug prescribed for treatment of people with Type-2 diabetes, and works to maintain proper levels of sugar. *Actos* is usually prescribed in combination with changes in dietary habits. The drug comes with a series of health warnings that mainly address the possibility of heart failure and lactic acidosis. However, *Actos* has recently come under investigation from a variety of sources as a possible cause of bladder cancer.

In June 2011, Takeda Pharmaceuticals halted sales of *Actos* in France and Germany, following a nationwide recall and banning of the medication. Since then, based on a study from the Food and Drug Administration (FDA), the FDA has issued warnings about the risk of bladder cancer in people who take *Actos*. Further, doctors are now being advised not to prescribe this medication for those afflicted with Type-2 diabetes.

So whether it's buying the loaf of bread, a piece of furniture, or a drug made by an established pharmaceutical drug manufacturer, we always have to be vigilant to ensure that we are not harmed or damaged, most importantly where our health and lives are at stake. If you or a loved one has been taking *Actos* for an extended period, you may want to follow-up with your health care providers and inquire as to this serious side-effect. ■

Can I Really Save Money by Appealing the Assessed Value of My Property?

John J. Iannozzi, Esquire

It seems like every day that we turn on the television or open a newspaper, we are confronted with the reality that real estate values continue to plummet at an historically high rate. In this tough economic climate, every dollar counts! The time is now ripe for all property owners to consider appealing their real estate tax assessment. Why? Because the real estate tax you pay is based on the value assessed by the county in which the property is located. The higher the assessed value, the more in taxes you have to pay; the greater the reduction in value, the greater the saving to you. The Real Estate Tax Assessment Department at HRMM&L has been representing property owners in assessments appeals for many years throughout Southeastern Pennsylvania. Our Assessment Department was particularly formulated to process assessment appeals efficiently, effectively, and successfully, achieving tremendous savings for our clients.

Property values in Lehigh County have similarly changed over time and Lehigh County officials decided it was time to undertake a countywide reassessment for purposes of establishing valuation fairness and consistency among all real estate tax parcels. To conduct a reassessment, a county must value all of its properties as of a certain date. For the Lehigh County's reassessment, that date was January 1, 2012.

The Lehigh County Board of Assessment Office has already sent property owners an "Initial Mail Notice," which sets forth the preliminary reassessment value. The assessment value is then used by each real estate taxing agency — County, Municipality, and School District — for purposes of calculating your fair share of taxes.

On or before July 1, 2012, property owners will receive from Lehigh County the "Final Notice of Property Assessment," which will have the final assessment value. Lehigh County property owners will then have up to forty (40) days from date of the Final Notice to file a formal appeal. If your reassessed value is greater than what you think your property is currently worth, please contact our Assessment Department to discuss whether an appeal would be worthwhile to you.

Formal appeals will be completed by November 1, 2012, and all property values will then be certified by the Lehigh County Assessment Office. Those certified values will be in effect for the 2013 tax year (2013-14 tax year for School Districts). It is also important to note that at the

formal appeal hearings, property owners are required to provide some objective support for their appeal. In other words, simply testifying that you think your assessed value is too high will not support a change in your assessed value. To increase your chance of success, HRMM&L highly recommends obtaining an appraisal as the best evidence of the true value of your property.

Properties located outside of Lehigh County have different assessment appeal deadlines. You may wish to contact the Board of Assessment Office within the county in which your property is located to confirm the respective assessment appeal deadlines. For properties located in Montgomery and Bucks Counties, you should be aware that their deadlines to file assessment appeals are as follows:

Bucks County

Assessment Appeal deadline..... Aug. 1, 2012

Montgomery County

Assessment Appeal deadline..... Sept. 1, 2012

If you feel that you may qualify for a reduction of your tax assessment, please contact our Assessment Department Paralegal Judy Moore at 1-800-99LEGAL. ■

HRMM&L

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Joan Wean, Editor

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Hamburg, Rubin, Mullin, Maxwell & Lupin's IN BRIEF is intended to provide information on recent legal developments. The information contained in this newsletter is not offered as legal advice or legal opinion on specific facts.

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