

## **Operating Agreement**

### **Crooked City Cider LLC, a California Limited Liability Company**

THIS OPERATING AGREEMENT of Crooked City Cider LLC (the "Company") is entered into as of the date set forth on the signature page of this Agreement by each of the Members listed on Exhibit A of this Agreement.

A. The Members have formed the Company as a California limited liability company under the California Revised Uniform Limited Liability Company Act. The purpose of the Company is to conduct any lawful business for which limited liability companies may be organized under the laws of the state of California. The Members hereby adopt and approve the articles of organization of the Company filed with the California Secretary of State.

B. The Members enter into this Agreement to provide for the governance of the Company and the conduct of its business, and to specify their relative rights and obligations.

## **ARTICLE 1: DEFINITIONS**

Capitalized terms used in this Agreement have the meanings specified in this Article 1 or elsewhere in this Agreement and if not so specified, have the meanings set forth in the California Revised Uniform Limited Liability Company Act.

"Agreement" means this Operating Agreement of the Company, as may be amended from time to time.

"Capital Account" means, with respect to any Member, an account consisting of such Member's Capital Contribution, (1) increased by such Member's allocated share of income and gain, (2) decreased by such Member's share of losses and deductions, (3) decreased by any distributions made by the Company to such Member, and (4) otherwise adjusted as required in accordance with applicable tax laws.

"Capital Contribution" means, with respect to any Member, the total value of (1) cash and the fair market value of property other than cash and (2) services that are contributed and/or agreed to be contributed to the Company by such Member, as listed on Exhibit A, as may be updated from time to time according to the terms of this Agreement.

"Exhibit" means a document attached to this Agreement labeled as "Exhibit A," "Exhibit B," and so forth, as such document may be amended, updated, or replaced from time to time according to the terms of this Agreement.

"Member" means each Person who acquires Membership Interest pursuant to this Agreement. The Members are listed on Exhibit A, as may be updated from time to time according to the terms of this Agreement. Each Member has the rights and obligations specified in this Agreement.

"Membership Interest" means the entire ownership interest of a Member in the Company at any particular time, including the right to any and all benefits to which a Member may be entitled as provided in this Agreement and under the California Revised Uniform Limited Liability Company Act, together with the obligations of the Member to comply with all of the terms and provisions of this Agreement.

"Ownership Interest" means the Percentage Interest or Units, as applicable, based on the manner in which relative ownership of the Company is divided.

"Percentage Interest" means the percentage of ownership in the Company that, with respect to each Member, entitles the Member to a Membership Interest and is expressed as either:

- A. If ownership in the Company is expressed in terms of percentage, the percentage set forth opposite the name of each Member on Exhibit A, as may be adjusted from time to time pursuant to this Agreement; or
- B. If ownership in the Company is expressed in Units, the ratio, expressed as a percentage, of:
  - (1) the number of Units owned by the Member (expressed as "MU" in the equation below) divided by

- (2) the total number of Units owned by all of the Members of the Company (expressed as "TU" in the equation below).

$$\text{Percentage Interest} = \frac{MU}{TU}$$

"Person" means an individual (natural person), partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity, whether domestic or foreign.

"Units" mean, if ownership in the Company is expressed in Units, units of ownership in the Company, that, with respect to each Member, entitles the Member to a Membership Interest which, if applicable, is expressed as the number of Units set forth opposite the name of each Member on Exhibit A, as may be adjusted from time to time pursuant to this Agreement.

## ARTICLE 2: CAPITAL CONTRIBUTIONS, ADDITIONAL MEMBERS, CAPITAL ACCOUNTS AND LIMITED LIABILITY

**2.1 Initial Capital Contributions.** The names of all Members and each of their respective addresses, initial Capital Contributions, and Ownership Interests must be set forth on Exhibit A. Each Member has made or agrees to make the initial Capital Contribution set forth next to such Member's name on Exhibit A to become a Member of the Company.

**2.2 Subsequent Capital Contributions.** Members are not obligated to make additional Capital Contributions unless unanimously agreed by all the Members. If subsequent Capital Contributions are unanimously agreed by all the Members in a consent in writing, the Members may make such additional Capital Contributions on a pro rata basis in accordance with each Member's respective Percentage Interest or as otherwise unanimously agreed by the Members.

### **2.3 Additional Members.**

A. With the exception of a transfer of interest (1) governed by Article 7 of this Agreement or (2) otherwise expressly authorized by this Agreement, additional Persons may become Members of the Company and be issued additional Ownership Interests only if approved by and on terms determined by a unanimous written agreement signed by all of the existing Members.



B. Before a Person may be admitted as a Member of the Company, that Person must sign and deliver to the Company the documents and instruments, in the form and containing the information required by the Company, that the Members deem necessary or desirable. Membership Interests of new Members will be allocated according to the terms of this Agreement.

**2.4 Capital Accounts.** Individual Capital Accounts must be maintained for each Member, unless (a) there is only one Member of the Company and (b) the Company is exempt according to applicable tax laws. Capital Accounts must be maintained in accordance with all applicable tax laws.

**2.5 Interest.** No interest will be paid by the Company or otherwise on Capital Contributions or on the balance of a Member's Capital Account.

**2.6 Limited Liability; No Authority.** A Member will not be bound by, or be personally liable for, the expenses, liabilities, debts, contracts, or obligations of the Company, except as otherwise provided in this Agreement or as required by the California Revised Uniform Limited Liability Company Act. Unless expressly provided in this Agreement, no Member, acting alone, has any authority to undertake or assume any obligation, debt, or responsibility, or otherwise act on behalf of, the Company or any other Member.

### ARTICLE 3: ALLOCATIONS AND DISTRIBUTIONS

**3.1 Allocations.** Unless otherwise agreed to by the unanimous consent of the Members any income, gain, loss, deduction, or credit of the Company will be allocated for accounting and tax purposes on a pro rata basis in proportion to the respective Percentage Interest held by each Member and in compliance with applicable tax laws.

**3.2 Distributions.** The Company will have the right to make distributions of cash and property to the Members on a pro rata basis in proportion to the respective Percentage Interest held by each Member. The timing and amount of distributions will be determined by the Members in accordance with the California Revised Uniform Limited Liability Company Act.

**3.3 Limitations on Distributions.** The Company must not make a distribution to a Member if, after giving effect to the distribution:

A. The Company would be unable to pay its debts as they become due in the usual course of business; or



B. The fair value of the Company's total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the Company were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of Members, if any, whose preferential rights are superior to those of the Members receiving the distribution.

#### ARTICLE 4: MANAGEMENT

##### 4.1 Management.

A. **Generally.** Subject to the terms of this Agreement and the California Revised Uniform Limited Liability Company Act, the business and affairs of the Company will be managed by the Members.

B. **Approval and Action.** Unless greater or other authorization is required pursuant to this Agreement or under the California Revised Uniform Limited Liability Company Act for the Company to engage in an activity or transaction, all activities or transactions must be approved by the Members, to constitute the act of the Company or serve to bind the Company. With such approval, the signature of any Members authorized to sign on behalf of the Company is sufficient to bind the Company with respect to the matter or matters so approved. Without such approval, no Members acting alone may bind the Company to any agreement with or obligation to any third party or represent or claim to have the ability to so bind the Company.

C. **Certain Decisions Requiring Greater Authorization.** Notwithstanding clause B above, the following matters require unanimous approval of the Members in a consent in writing to constitute an act of the Company:

- (i) A material change in the purposes or the nature of the Company's business;
- (ii) With the exception of a transfer of interest governed by Article 7 of this Agreement, the admission of a new Member or a change in any Member's Membership Interest, Ownership Interest, Percentage Interest, or Voting Interest in any manner other than in accordance with this Agreement;
- (iii) The merger of the Company with any other entity or the sale of all or substantially all of the Company's assets; and

- (iv) The amendment of this Agreement.

**4.2 Officers.** The Members are authorized to appoint one or more officers from time to time. The officers will have the titles, the authority, exercise the powers, and perform the duties that the Members determine from time to time. Each officer will continue to perform and hold office until such time as (a) the officer's successor is chosen and appointed by the Members; or (b) the officer is dismissed or terminated by the Members, which termination will be subject to applicable law and, if an effective employment agreement exists between the officer and the Company, the employment agreement. Subject to applicable law and the employment agreement (if any), each officer will serve at the direction of Members, and may be terminated, at any time and for any reason, by the Members.

## ARTICLE 5: ACCOUNTS AND ACCOUNTING

**5.1 Accounts.** The Company must maintain complete accounting records of the Company's business, including a full and accurate record of each Company transaction. The records must be kept at the Company's principal executive office and must be open to inspection and copying by Members during normal business hours upon reasonable notice by the Members wishing to inspect or copy the records or their authorized representatives, for purposes reasonably related to the Membership Interest of such Members. The costs of inspection and copying will be borne by the respective Member.

**5.2 Records.** The Members will keep or cause the Company to keep the following business records.

- (i) An up to date list of the Members, each of their respective full legal names, last known business or residence address, Capital Contributions, the amount and terms of any agreed upon future Capital Contributions, and Ownership Interests, and Voting Interests;
- (ii) A copy of the Company's federal, state, and local tax information and income tax returns and reports, if any, for the six most recent taxable years;
- (iii) A copy of the articles of organization of the Company, as may be amended from time to time ("Articles of Organization"); and



- (iv) An original signed copy, which may include counterpart signatures, of this Agreement, and any amendments to this Agreement, signed by all then-current Members.

**5.3 Income Tax Returns.** Within 45 days after the end of each taxable year, the Company will use its best efforts to send each of the Members all information necessary for the Members to complete their federal and state tax information, returns, and reports and a copy of the Company's federal, state, and local tax information or income tax returns and reports for such year.

**5.4 Subchapter S Election.** The Company may, upon unanimous consent of the Members, elect to be treated for income tax purposes as an S Corporation. This designation may be changed as permitted under the Internal Revenue Code Section 1362(d) and applicable Regulations.

**5.5 Tax Matters Member.** Anytime the Company is required to designate or select a tax matters partner pursuant to Section 6231(a)(7) of the Internal Revenue Code and any regulations issued by the Internal Revenue Service, the Members must designate one of the Members as the tax matters partner of the Company and keep such designation in effect at all times.

**5.6 Banking.** All funds of the Company must be deposited in one or more bank accounts in the name of the Company with one or more recognized financial institutions. The Members are authorized to establish such accounts and complete, sign, and deliver any banking resolutions reasonably required by the respective financial institutions in order to establish an account.

## ARTICLE 6: MEMBERSHIP - VOTING AND MEETINGS

**6.1 Members and Voting Rights.** The Members have the right and power to vote on all matters with respect to which the Articles of Organization, this Agreement, or the California Revised Uniform Limited Liability Company Act requires or permits. Unless otherwise stated in this Agreement (for example, in Section 4.1(c)) or required under the California Revised Uniform Limited Liability Company Act, the vote of the Members holding at least a majority of the Voting Interest of the Company is required to approve or carry out an action.

**6.2 Meetings of Members.** Annual, regular, or special meetings of the Members are not required but may be held at such time and place as the Members deem necessary or desirable for the reasonable management of the Company. Meetings may



be called by any Member or Members, holding 10% or more of the Percentage Interests, for the purpose of addressing any matters on which the Members may vote. A written notice setting forth the date, time, and location of a meeting must be sent at least ten (10) days but no more than sixty (60) days before the date of the meeting to each Member entitled to vote at the meeting. A Member may waive notice of a meeting by sending a signed waiver to the Company's principal executive office or as otherwise provided in the California Revised Uniform Limited Liability Company Act. In any instance in which the approval of the Members is required under this Agreement, such approval may be obtained in any manner permitted by the California Revised Uniform Limited Liability Company Act, including by conference call or similar communications equipment. Any action that could be taken at a meeting may be approved by a consent in writing that describes the action to be taken and is signed by Members holding the minimum Voting Interest required to approve the action. If any action is taken without a meeting and without unanimous written consent of the Members, notice of such action must be sent to each Member that did not consent to the action.

#### ARTICLE 7: WITHDRAWAL AND TRANSFERS OF MEMBERSHIP INTERESTS

**7.1 Withdrawal.** Members may withdraw from the Company prior to the dissolution and winding up of the Company (a) by transferring or assigning all of their respective Membership Interests pursuant to Section 7.2 below, or (b) if all of the Members unanimously agree in a written consent. Subject to the provisions of Article 3, a Member that withdraws pursuant to this Section 7.1 will be entitled to a distribution from the Company in an amount equal to such Member's Capital Account, which must be paid by the Company to such Member within ninety (90) days of the withdrawal date unless otherwise agreed in writing.

**7.2 Restrictions on Transfer; Admission of Transferee.** A Member may transfer Membership Interests to any other Person without the consent of any other Member. A person may acquire Membership Interests directly from the Company upon the written consent of all Members. A Person that acquires Membership Interests in accordance with this Section 7.2 will be admitted as a Member of the Company only after the requirements of Section 2.3(b) are complied with in full.

## ARTICLE 8: DISSOLUTION

**8.1 Dissolution.** The Company will be dissolved upon the first to occur of the following events:

- (i) The vote of the Members holding at least a majority of the Voting Interest of the Company to dissolve the Company;
- (ii) Entry of a decree of judicial dissolution under Section 17707.01 of the California Revised Uniform Limited Liability Company Act;
- (iii) The sale or transfer of all or substantially all of the Company's assets;
- (iv) A merger or consolidation of the Company with one or more entities in which the Company is not the surviving entity; or
- (v) The Company has no members during 90 consecutive days, except on the death of a natural person who is the sole member of the Company, the status of the member, including Membership Interest, may pass to the heirs, successors, and assigns of the member by will or applicable law.

**8.2 No Automatic Dissolution Upon Certain Events.** Unless otherwise set forth in this Agreement or required by applicable law, the death, incapacity, disassociation, bankruptcy, or withdrawal of a Member will not automatically cause a dissolution of the Company.

## ARTICLE 9: INDEMNIFICATION

**9.1 Indemnification.** The Company has the power to defend, indemnify, and hold harmless any Person who was or is a party, or who is threatened to be made a party, to any Proceeding (as that term is defined below) by reason of the fact that such Person was or is a Member, officer, employee, representative, or other agent of the Company, or was or is serving at the request of the Company as a director, Governor, officer, employee, representative or other agent of another limited liability company, corporation, partnership, joint venture, trust, or other enterprise (each such Person is referred to as a "Company Agent"), against Expenses (as that term is defined below), judgments, fines, settlements, and other amounts (collectively, "Damages") to the maximum extent now or hereafter permitted under California law. "Proceeding," as



used in this Article 9, means any threatened, pending, or completed action, proceeding, individual claim or matter within a proceeding, whether civil, criminal, administrative, or investigative. "Expenses," as used in this Article 9, includes, without limitation, court costs, reasonable attorney and expert fees, and any expenses incurred relating to establishing a right to indemnification, if any, under this Article 9.

**9.2 Mandatory.** The Company must defend, indemnify and hold harmless a Company Agent in connection with a Proceeding in which such Company Agent is involved if, and to the extent, California law requires that a limited liability company indemnify a Company Agent in connection with a Proceeding.

**9.3 Expenses Paid by the Company Prior to Final Disposition.** Expenses of each Company Agent indemnified or held harmless under this Agreement that are actually and reasonably incurred in connection with the defense or settlement of a Proceeding may be paid by the Company in advance of the final disposition of a Proceeding if authorized by a vote of the Members that are not seeking indemnification holding a majority of the Voting Interests (excluding the Voting Interest of the Company Agent seeking indemnification). Before the Company makes any such payment of Expenses, the Company Agent seeking indemnification must deliver a written undertaking to the Company stating that such Company Agent will repay the applicable Expenses to the Company unless it is ultimately determined that the Company Agent is entitled or required to be indemnified and held harmless by the Company (as set forth in Sections 9.1 or 9.2 above or as otherwise required by applicable law).

## ARTICLE 10: GENERAL PROVISIONS

**10.1 Notice.** (a) Any notices (including requests, demands, or other communications) to be sent by one party to another party in connection with this Agreement must be in writing and delivered personally, by reputable overnight courier, or by certified mail (or equivalent service offered by the postal service from time to time) to the following addresses or as otherwise notified in accordance with this Section: (i) if to the Company, notices must be sent to the Company's principal executive office; and (ii) if to a Member, notices must be sent to the Member's last known address for notice on record. (b) Any party to this Agreement may change its notice address by sending written notice of such change to the Company in the manner specified above. Notice will be deemed to have been duly given as follows: (i) upon delivery, if delivered personally or by reputable overnight carrier or (ii) five days after the date of posting if sent by certified mail.



**10.2 Entire Agreement; Amendment.** This Agreement along with the Articles of Organization (together, the “Organizational Documents”), constitute the entire agreement among the Members and replace and supersede all prior written and oral understandings and agreements with respect to the subject matter of this Agreement, except as otherwise required by the California Revised Uniform Limited Liability Company Act. There are no representations, agreements, arrangements, or undertakings, oral or written, between or among the Members relating to the subject matter of this Agreement that are not fully expressed in the Organizational Documents. This Agreement may not be modified or amended in any respect, except in a writing signed by all of the Members, except as otherwise required or permitted by the California Revised Uniform Limited Liability Company Act.

**10.3 Governing Law; Severability.** This Agreement will be construed and enforced in accordance with the laws of the state of California. If any provision of this Agreement is held to be unenforceable by a court of competent jurisdiction for any reason whatsoever, (i) the validity, legality, and enforceability of the remaining provisions of this Agreement (including without limitation, all portions of any provisions containing any such unenforceable provision that are not themselves unenforceable) will not in any way be affected or impaired thereby, and (ii) to the fullest extent possible, the unenforceable provision will be deemed modified and replaced by a provision that approximates the intent and economic effect of the unenforceable provision and the Agreement will be deemed amended accordingly.

**10.4 Further Action.** Each Member agrees to perform all further acts and execute, acknowledge, and deliver any documents which may be reasonably necessary, appropriate, or desirable to carry out the provisions of this Agreement.

**10.5 No Third Party Beneficiary.** This Agreement is made solely for the benefit of the parties to this Agreement and their respective permitted successors and assigns, and no other Person or entity will have or acquire any right by virtue of this Agreement. This Agreement will be binding on and inure to the benefit of the parties and their heirs, personal representatives, and permitted successors and assigns.

**10.6 Incorporation by Reference.** The recitals and each appendix, exhibit, schedule, and other document attached to or referred to in this Agreement are hereby incorporated into this Agreement by reference.

10.7 **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all of the Members signed the same copy. All counterparts will be construed together and will constitute one agreement.

*[Remainder Intentionally Left Blank.]*

**IN WITNESS WHEREOF**, the parties have executed or caused to be executed this Operating Agreement and do each hereby represent and warrant that their respective signatory, whose signature appears below, has been and is, on the date of this Agreement, duly authorized to execute this Agreement.

Dated: 9/9/15

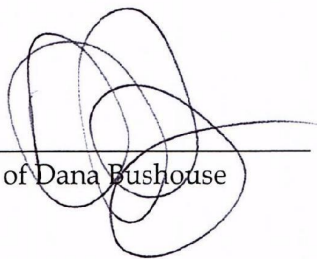
  
\_\_\_\_\_  
Signature of Dana Bushouse



EXHIBIT A  
**MEMBERS**

The Members of the Company and their respective addresses, Capital Contributions, and Ownership Interests are set forth below. The Members agree to keep this Exhibit A current and updated in accordance with the terms of this Agreement, including, but not limited to, Sections 2.1, 2.3, 2.4, 7.1, 7.2, and 10.1.

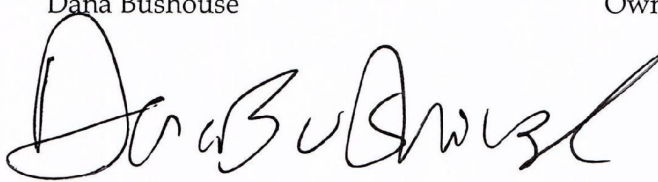
<b>Members</b>	<b>Capital Contribution</b>	<b>Percentage Interest</b>
Dana Bushouse Address: 463 Jean St. Oakland, California 94610		100%

EXHIBIT B  
**OFFICERS**

Officers of the Company are set forth below.

Name of Officer  
Dana Bushouse

Title  
Owner/Operator

 1/27/15

LLC-1

# Articles of Organization of a Limited Liability Company (LLC)

201435110012

To form a limited liability company in California, you can fill out this form, and submit for filing along with:

- A **\$70** filing fee.
- A separate, non-refundable **\$15** service fee also must be included, if you **drop off** the completed form.

**Important!** LLCs in California may have to pay a minimum \$800 yearly tax to the California Franchise Tax Board. For more information, go to <https://www.ftb.ca.gov>.

LLCs may not provide "professional services," as defined by California Corporations Code sections 13401(a) and 13401.3.

Note: Before submitting the completed form, you should consult with a private attorney for advice about your specific business needs.

FILED

Secretary of State  
State of California

DEC 17 2014

HC This Space For Office Use Only

For questions about this form, go to [www.sos.ca.gov/business/be/filing-tips.htm](http://www.sos.ca.gov/business/be/filing-tips.htm).

**LLC Name** (List the proposed LLC name exactly as it is to appear on the records of the California Secretary of State.)

① Crooked City Cider LLC

Proposed LLC Name

The name must include: LLC, L.L.C., Limited Liability Company, Limited Liability Co., Ltd. Liability Co. or Ltd. Liability Company; and **may not** include: bank, trust, trustee, incorporated, inc., corporation, or corp., insurer, or insurance company. For general entity name requirements and restrictions, go to [www.sos.ca.gov/business/be/name-availability.htm](http://www.sos.ca.gov/business/be/name-availability.htm).

## Purpose

- ② The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act.

## LLC Addresses

③ a. 463 Jean St. Oakland CA 94610  
Initial Street Address of Designated Office in CA - Do not list a P.O. Box City (no abbreviations) State Zip

b. Initial Mailing Address of LLC, if different from 3a City (no abbreviations) State Zip

**Service of Process** (List a California resident or a California registered corporate agent that agrees to be your initial agent to accept service of process in case your LLC is sued. You may list any adult who lives in California. You may **not** list an LLC as the agent. **Do not** list an address if the agent is a California registered corporate agent as the address for service of process is already on file.)

④ a. LegalZoom.com, Inc.  
Agent's Name

b. CA  
Agent's Street Address (if agent is **not** a corporation) - Do not list a P.O. Box City (no abbreviations) State Zip

## Management (Check only one.)

- ⑤ The LLC will be managed by:

☐ One Manager ☐ More Than One Manager ☒ All Limited Liability Company Member(s)

This form must be signed by each organizer. If you need more space, attach extra pages that are 1-sided and on standard letter-sized paper (8 1/2" x 11"). All attachments are made part of these articles of organization.

Organizer - Sign here

By: Cheyenne Moseley, Assistant Secretary, LegalZoom.com, Inc.

Print your name here

Make check/money order payable to: **Secretary of State**  
Upon filing, we will return one (1) uncertified copy of your filed document for free, and will certify the copy upon request and payment of a \$5 certification fee.

**By Mail**  
Secretary of State  
Business Entities, P.O. Box 944228  
Sacramento, CA 94244-2280

**Drop-Off**  
Secretary of State  
1500 11th Street., 3rd Floor  
Sacramento, CA 95814



**201435110012**

**Attachment to  
Articles of Organization of  
Crooked City Cider LLC**

- ⑥ The future file date shall be December 17, 2014



**Secretary of State  
Business Programs Division**

Business Entities, 1500 11th Street, 3rd Floor, Sacramento, CA 95814

## **Welcome to California**

Congratulations on the registration of your limited liability company with the California Secretary of State. Please see below for important information.

### **Required Statement of Information**

California law requires limited liability companies to keep their public record updated by filing a Statement of Information with the California Secretary of State.

Limited liability companies must file a complete Statement of Information (Form LLC-12) within the first 90 days of filing the Articles of Organization or Application to Register, and then every 2 years after that before the end of the month of the registration date.

Statements of Information for limited liability companies must be submitted on paper to the California Secretary of State, and can be mailed or delivered in person (drop off) to the Sacramento office. Additional information regarding Statements of Information, including forms, instructions and current fees is available at [www.sos.ca.gov/business/be/statements.htm](http://www.sos.ca.gov/business/be/statements.htm).

Current processing times for Statements of Information may be found at [www.sos.ca.gov/business/be/processing-times.htm](http://www.sos.ca.gov/business/be/processing-times.htm).

### **Other Business Information and Resources**

All business entities are subject to state and federal tax laws. You may wish to contact the following agencies to assist you with these issues:

- Internal Revenue Service – [www.irs.gov](http://www.irs.gov) or call (800) 829-1040 for forms and issues concerning Federal tax, employer identification numbers, subchapter S elections
- Franchise Tax Board – [www.ftb.ca.gov](http://www.ftb.ca.gov) or call (800) 852-5711 for forms and issues concerning franchise tax and state income tax requirements
- State Board of Equalization – [www.boe.ca.gov](http://www.boe.ca.gov) or call (800) 400-7115 for forms and issues concerning sales taxes or use taxes
- Employment Development Department – [www.edd.ca.gov](http://www.edd.ca.gov) or call (800) 300-5616 for forms and issues concerning employment and payroll taxes

Please refer to [www.sos.ca.gov/business/be/resources.htm](http://www.sos.ca.gov/business/be/resources.htm) for a list of other agencies you may need to contact to ensure proper compliance with the laws of the State of California. Please be aware that the California Secretary of State does not license limited liability companies. For licensing requirements, please contact the California city and/or county where the principal place of business is located and/or the state agency, or board with jurisdiction over the activities of the limited liability company





**Secretary of State  
Business Programs Division**

Business Entities, 1500 11th Street, 3rd Floor, Sacramento, CA 95814

### **Customer Alert – Misleading Certificate of Status Solicitations**

Letters are being sent to businesses registered with the Secretary of State directing them to submit \$49.50, respond by a certain date, complete a form, and send the money and documentation to a private entity named "California State Corporations." According to the letter, California State Corporations will provide a "certificate of status." However, these Certificates of Status are fraudulent because only the Secretary of State can issue a Certificate of Status. An example of the form and fraudulent "certificate of status" are available through our website at [www.sos.ca.gov/business/be/alert-misleading-solicitations.htm](http://www.sos.ca.gov/business/be/alert-misleading-solicitations.htm).

A certification of the entity's status, also known as the Certificate of Status, only can be issued by the Secretary of State who is the official custodian of business entity records for the State of California. The fee for this certificate is \$5.00. The private entity has no affiliation or authorization to act on behalf of the State of California or the Secretary of State and is illegally issuing fraudulent Certificates of Status for entities registered with the California Secretary of State.

An official Certificate of Status can be obtained by submitting a request to the California Secretary of State's Sacramento office either in person or by mail. Instructions and fees for ordering a Certificate of Status can be obtained through our website at [www.sos.ca.gov/business/be/information-requests.htm](http://www.sos.ca.gov/business/be/information-requests.htm).

These solicitations are not being made by the California Secretary of State's office and are not being made by or on behalf of any governmental entity. Although a business entity can use an intermediary to submit filings, request a certificate of status, and pay fees to our office, no business is required to go through another private entity in order to obtain documents or certificates from the Secretary of State's office and no private entity can issue these documents.

#### **Action for Fraudulent Letters**

California businesses that receive one of these fraudulent solicitation letters or that have paid the company and received a fraudulent certificate should submit a written complaint along with the entire solicitation (including the solicitation letter, the outer and return envelopes, and all related documents if available, and a copy of the fraudulent certificate) to the California Attorney General, Public Inquiry Unit, P.O. Box 944255, Sacramento, California 94244–2550. A complaint form, which can be completed online and printed to mail, is available on the California Attorney General's website at [www.oag.ca.gov/consumers](http://www.oag.ca.gov/consumers).