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Dear Client:

Recently, the Franchise Tax Board is sending out \$250 balance due notices to Limited Liability Companies (LLC's) noted as SOS certification penalty.

The Franchise Tax Board is acting as a collection agent for the California Secretary of State (SOS). The SOS is assessing LLC's for not filing the Form LLC-12, Statement of Information, biennially.

All LLC's registered with the California SOS must file the Statement of Information biennially. In the past, the SOS only assessed penalties to corporations due to lack of information in their database. They now have updated their database to include LLC's and started to assess penalties.

The SOS generally mails a blank Form LLC-12 to LLC address directly when due. Even if you have not received this form in the past, the penalty cannot be waived once assessed.

Therefore, we recommend you to file the Form LLC-12 with the California SOS when due. We are enclosing a blank form with filing instructions for your convenience. This form is also available in the SOS website www.sos.ca.gov/business/be/statements.htm. You can also find writable blank Form LLC-12R in this website.

If you have any questions about the Form LLC-12, you can find more information in the SOS website, call the SOS (916) 657-5448 or contact us. We will be happy to answer questions you may have.

Thank you for your business.

Very truly yours,

Wright Ford Young & Co.
Certified Public Accountants and Consultants, Inc.