

STATEMENT FROM STUART S. ZISHOLTZ

This article will not deal with the usual construction issues but with something that is very important in your business career.

Since most of you, if not all of you, have corporations, you are aware that a Certificate of Incorporation is filed with the Secretary of State. The Certificate of Incorporation not only lists the number of shares that the corporation will issue but also lists the address of the corporation. The purpose of listing the address is that many people who want to sue corporations serve the Secretary of State to obtain jurisdiction. The Secretary of State, in turn, sends a copy of the lawsuit to the address on file.

A problem can develop when the corporation moves to another location and fails to advise the Secretary of State. If the address is not the current address, then the corporation may never see the summons.

Until recently, the Courts were very liberal in vacating default judgments where service was made on the Secretary of State and the corporation never received it. Those judgments were readily set aside. Recently, however, the Court's have found otherwise. The Court's have held that if you have a corporation and you do not update the information with the Secretary of State and a default judgment is entered, it is too bad. The judgment remains.

It is essential, therefore, to update your information with the Secretary of State. If it is old and obsolete, it may require the filing of a Certificate of Amendment of an Address.

Never let your lien time run out.

For a free copy of a pamphlet pertaining to mechanic's liens and payment bond claims, please contact me or the Association.