

WHAT TO DO IF YOUR BUSINESS WILL NOT REOPEN ?

1. Gather up all the records you can find: insurance, banking, stock certificates, the minute book, etc.
2. Find out what kind of insurance the company has: sometimes there's a "business interruption" policy so there may be a claim for benefits. Notify The Insurance Company As Soon As Possible. Failure to notify may cause the claim to be lost!
3. If there was vandalism or other damage while you were closed, notify the insurance company about that, too. Then hire a public adjuster.
4. If the business was operated in a space that's mortgaged, notify the mortgage-holder. You may need to ask for a Forbearance, or to make other arrangements.
5. If the business was operated in a leased space, find the lease, and find out:
 - a. if there is a security deposit, and what happens to it;
 - b. when and how the landlord can terminate the lease;
 - c. if there's an early termination provision. Some leases allow the tenant to end it after several months' notice to the landlord. The business would still have to pay rent during the notice period, which might be up to 6 months, but then the lease would be over.
6. You may be asked for proof of the owners, directors, officers of the company are. That's where the corporate records come in. "Owners" are the ones who own the stock (corporation) or Membership Units (LLC). Directors & Officers run the Company; in a small operation they are frequently the same people. If you're not sure who's who, ask for help.
7. If there is more than one owner, look for a Shareholders Agreement or an Operating Agreement (for an LLC). There may be provisions concerning the end of the Company.
8. If the owner has died, find their Last Will & Testament. It may contain provisions concerning the company. If there's no Will, consult a Trusts & Estates lawyer—quickly. There may also be important provisions in a Shareholders Agreement or an Operating Agreement if one of the owners dies. Finally, if the owner has died, and there is a "key man" or a "split dollar" life insurance policy, there may be proceeds payable. Notify The Insurance Company

Prepared by **Thomas M. Farrell, Esq.**

TMF Law Offices, P.C.

61-43 186th Street

Fresh Meadows, NY 11365

646 262 5352 www.tmflawoffices.com

