



Practice automation, evolved.

5 Ways a Registered Agent Keeps You Healthy (Legally Speaking)



Introduction

As a professional service firm, your priorities are serving your clients and growing your business. You have more pressing matters to attend to than finding a registered agent for your company. Or do you?

Indeed, you may not even realize you need a registered agent. Or if you do and you provide this service for others, you need a simple, consistent way to explain the “why” to the companies you represent.

We’ve put together this guide to help.

A registered agent plays a crucial role in keeping any business healthy and compliant over the long term. A competent registered agent will make sure you’re always up to date about the most important legal matters you’ll ever need to know for the wellbeing of your company.

This guide will explain **what a registered agent is**, along with five ways they can help your business and the companies you represent **maintain optimal legal and financial health**.

First, what is a registered agent?

A company’s registered agent (or “RA”) is a business or individual with a physical address in each state where the company is incorporated. The RA is designated to receive certain legal notifications on the company’s behalf. They’re responsible for forwarding their clients’ notifications from the state, as well as tax documents and service of legal process. An RA can also help draft and file a company’s annual filings to the state, so the company remains in good standing.

The documents registered agents deal with have potentially serious implications for a business’s long-term survival. A good RA will manage them privately, efficiently and with minimal disruption to your company.



Think of your registered agent like your doctor—but for your company. If your business is healthy, the two of you might have minimal contact. But like a caring doctor, your RA reaches out when your company's vitals deviate from acceptable norms. For example, your RA will alert you when the state needs you to file a certain document or when another person or company files a lawsuit against you. Anytime there's something critical you need to know about, your registered agent is there to help you maintain the health of your company.

#1 Your company's very life may well depend on your registered agent.

Here's a fact that might make your pulse race: A company's failure to designate an RA is a violation of law in 49 of the 50 states.¹ Hence, having a registered agent is a necessity if you want to run a business lawfully. Imagine being quarantined in a hospital and needing a certain antibiotic before you're legally allowed to leave the facility. The RA is akin to a drug that allows your business (and your clients' businesses) to operate lawfully.

This makes sense from a litigation standpoint. Suppose you need to bring suit against another company. Just finding where it legally resides can be a chore. In an age when so many businesses operate out of co-working spaces and other shared office spaces, this seemingly simple task is anything but. A registered agent solves the problem, allowing you to move forward without expending valuable resources to track down the defendant.

Imagine needing a certain antibiotic before you're legally allowed to leave the hospital. Just as you need the antibiotic to leave, a registered agent is necessary to **operate a business lawfully**.

Without an RA, a company will likely fall out of good standing with the state. The company could be suspended from operating, impacting its ability to enter into contracts with vendors and clients, or to get needed capital for growth. The result could be the equivalent of major organ failure.

A business without an RA could find its relevant license(s) revoked. It might face stiff financial penalties, and its operators may even be faced with criminal charges.

And it's possible that the company's name could be legally used by someone else. Though this doesn't happen in every case, when it does happen the potential for damage is very real. A business could quickly lose the goodwill and name recognition it spent years building up.

For all of these reasons, your company's very survival depends on having a registered agent. Without one, the business could find itself facing a life-threatening legal challenge.

¹ New York does not require registered agents. Instead, the state requires its businesses to designate the Secretary of State as an agent that can accept legal process. Yet the Secretary of State doesn't provide the additional benefits and services of an RA. Thus, even in New York, a registered agent is still a good idea for your company's long-term health.

Did you know?

Did you know?

You can be your own doctor, but we wouldn't recommend it. You can be your own registered agent, too, if you meet certain requirements. But we wouldn't recommend that, either.

Here's why.

- Being your own registered agent is a big responsibility. If you make a mistake in preparing, filing or signing a document, your long-term business health could be in jeopardy.
- A company needs to have a registered agent in every state where it does business. If you operate in multiple states, opening physical offices in each could quickly become exorbitant.
- All states require registered agents to be at their physical address during specified hours. Serving as your own RA would limit your freedom to travel or even simply run errands.
- The tasks required of registered agent take time and effort—resources that could be spent in a more productive and profitable way for your company.

Hiring a registered agent resolves these issues. And choosing an automated agent, like Legalinc, reduces human error. Your business's critical health documents will be handled quickly and efficiently.



#2

A registered agent keeps your business records private.

Your corporate records should be kept private just as your healthcare records are. Having sensitive information made public can really suck the life out of a business. One of the best ways to avoid this is by outsourcing your registered agent service.

Every state makes public some information about each business within its borders. This data varies from state to state, but numerous states publish only a business's registered agent information. By hiring a registered agent, you'll keep your business (or personal) address off the public record as much as possible. You'll get less junk mail and fewer unwanted solicitations.

More importantly, you'll avoid the potential embarrassment of being served with a lawsuit at your place of business, in front of clients. (This event would be even more mortifying if it involved a uniformed officer showing up to serve process.) That would be enough to make anyone's blood pressure rise.

And if you're ever involved in litigation, keeping your address as private as possible can reduce the risk of an adversary showing up at your business unannounced.

Having sensitive information made public can really suck the life out of a business. You can avoid this by publishing only **your registered agent's information**.





#3 Automated registered agent services provide instant results—no more waiting.

With certain medical tests, there's no waiting for results. Your doctor tells you on the spot. If only you could get critical business documents so quickly.

With an all-digital, automated RA platform like Legalinc, you can.

The system provides automatic and instant notifications of service of legal process. Legalinc's registered agent services can also send these notifications directly to your clients—saving you and your staff the time and expense of having to do so.

Every business has a limited amount of time in which to respond to legal filings, and the clock starts running as soon as the RA is served. Instant notifications allow you the maximum possible time to hire counsel or decide how to otherwise respond.

Consider what could happen by not having a registered agent. It's entirely possible that you would never know about a lawsuit filed against you until it's too late to act. Without that knowledge, you could have a default judgment handed down against you. And that could spell a negative diagnosis—or even a terminal one—for your company's health.

If your company is facing a potentially deadly legal challenge, you want to know early so you can deal with it quickly and decisively. Automated registered agents provide you that knowledge—instantly.

Unaware you're facing a potentially deadly legal challenge? **An automated registered agent lets you know—instantly—so you can deal with it quickly.**

Could your company handle this?

In 2009, PepsiCo was slammed with a default judgment of \$1.26 billion after failing to respond to a lawsuit. The food and beverage giant incurred attorneys' fees, filing fees and court costs on top of its own internal costs to get the judgment vacated on appeal.

PepsiCo could have afforded the judgment if the court had upheld it. But most companies would have instantly declared bankruptcy.



#4

A registered agent keeps you up-to-date on official state notifications.

Being aware of filing and compliance requirements is critical. Non-compliance isn't just risky: It can be downright fatal for your business.

You could face fines and other penalties that are prohibitively expensive. Or the state might simply decide to administratively dissolve your company.

But a competent RA will prevent this from happening. Consider how a well-trained physician's staff lets you know ahead of time when your annual physical exam is coming up. Likewise, a good RA manages the compliance process by sending each business notifications of required filings that are soon due, even **before** the state sends a notification.

And an all-digital registered agent like Legalinc delivers these notifications to you automatically. Your company will be effectively vaccinated against noncompliance, and you'll always be up-to-date on all communications from the state that could affect your business.

A good RA ensures that you know exactly when and where your next filings are due, **even before the state sends a notification.**

#5

A registered agent keeps you—and your business—on an even keel.

Just like their human counterparts, companies are vulnerable to stress and distraction. This is why businesses only perform at their best when they focus on carefully exploiting their strengths. Companies that take shortcuts to mitigate business and legal risks fail for the same reason distracted, stressed out people fail—they've taken their eye off the ball.

Legalinc understands how important it is for your company to focus on its core business, undistracted by complex legal and regulatory risks. We help you monitor and manage these risks through a secure, easy-to-use software program, so you can concentrate on your company's real mission.

And we can do it in all 50 states. We are wherever you are and want to be—and the places you don't want to be.

There's no need to worry about missing critical communications that could affect the wellbeing of your business. We remove those concerns so you can focus on your core business mission. For more information on our automated digital registered agent services, contact us today.

Focusing on your core business, undistracted by complex legal and regulatory risks, is tough. Our automated, all-digital RA service helps you **monitor and manage these risks through a secure, easy-to-use software program.**

About Legalinc

At Legalinc, we firmly believe technology can enhance the delivery of legal services. Created by legal industry veterans and client experience experts, our software platform automates registered agent, compliance, and entity formation services for corporations, technology companies and many of the nation's top legal service providers. Legalinc is the only platform that can empower your firm, brand, or in-house legal department to serve clients across all 50 states, faster, more efficiently and more profitably.

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