

Attorneys

- Kent A. Noble
- Frederick A. Johnson
- James P. Johnson
- Brian F. Johnson

Of Counsel

- Patrick T. Chambers
- Frederick D. Johnson

Law Clerk

- Michael P. Vespa

JBN Practice Areas

- Banking Law
- Business Law
- Debt Collection
- Employment Law
- Estate Planning
- Guardianships
- Landlords' Rights/Evictions
- Local Government
- Litigation
- Probate
- Real Estate
- Taxation
- Title Insurance

Johnson, Bunce & Noble, P.C.
Executive Offices—Parkway Plaza
7800 N. Sommer St.
Suite 425
Peoria, IL 61615-1994

Phone: (309) 691-9650
Fax: (309) 691-9651
Web: www.peorialawyers.com

Johnson, Bunce & Noble, P.C.

Client Newsletter

www.peorialawyers.com

Volume IV, Issue II - October 2009

Shareholder Agreements

Imagine this scenario—a privately held corporation has two shareholders, each 50% owners. The corporation makes approximately \$4 million a year in gross revenue. One shareholder passes away unexpectedly. There was no shareholder agreement or Last Will and Testament in place. In Illinois, the heirs at law will become the new shareholders by virtue of the state succession laws.

The shareholders cannot agree on any decision and the corporation is now deadlocked. Hence, a once profitable company must dissolve.

Although this situation may bring shivers to many business owners, the fact is that

many business owners do not have properly drafted shareholder agreements in place.

A Shareholder Agreement is, in essence, a contract between the shareholders of a corporation which defines the rights and duties of each shareholder to the corporation and to each other. These agreements can, among other things, detail the proper functioning of a corporation in the event that a shareholder dies (many times, life insurance is used to fund a company's purchase of shares), becomes disabled, attempts to voluntarily sell or transfer his/her shares, is forced to convey some or all of his/her owner-

ship interest (for example, through bankruptcy). Additionally, shareholders can agree amongst themselves in these agreements as to the voting of directors, officers, etc.

Contact JBN to learn more about shareholder agreements and how a properly drafted agreement is essential for almost any corporation.



JBN Forms Practice Groups, Plans Seminars

PRACTICE GROUPS

To better serve its growing clientele, JBN has formed several practice groups. Each practice group consists of at least two attorneys, who will work collaboratively in key practice areas.

The goal of these practice groups is three-fold: (1) provide a broader knowledge base for our clients' issues, (2) increase efficiency (and, hence, lower expense) for our clients, and (3) properly plan for succession of attorneys.

We are a growing firm, and our success, even in a soft economy, is attributable to the client services we provide. We know that you will find these practice groups beneficial to you, your family, and your business.

The practice groups are:

- Estate Planning/Probate
- Real Estate/Title Insurance
- Municipal Law/Sanitary District Law
- Taxation
- Business
- Litigation—Debt Collection/Creditors' Rights

SEMINARS

Brian F. Johnson, a member of JBN's Estate Planning/Probate Practice Group, has been asked to speak at several seminars pertaining to proper estate planning and probate issues.

The seminars are comprehensive (2 nights) and provide a broad overview of the following topics:

- Basics of Investments
- Retirement Planning
- Risk Management Strategies
- Estate Planning/Probate
- General Life Planning.

There are two public seminars currently planned and several private, by invitation only, seminars.

To find out more about the public seminars, please visit our website, www.peorialawyers.com, and click on the Seminars link on the homepage.

To inquire about having a private seminar for your employees or customers, please contact Brian F. Johnson at (309) 691-9650.

Disclosure Act/Mechanics Lien Act Amended

Recently, the Illinois General Assembly has passed several new laws. Two of these laws have amended existing statutes, which are of great importance to some of our clients. Here's an overview of some recent legislation:

Residential Real Property Disclosure Act Amendment

Public Act 96-232, effective Aug. 11, 2009, amended the Illinois Residential Real Property Disclosure Act to require certain sellers of residential property to disclose whether the property has been used for than manufacture of methamphetamine.

This new amendment only highlights the growing need to have competent real

property attorneys involved in the representation of buyers and sellers of real property.

Mechanics Lien Act Amendment

Public Act 96-654, effective January 1, 2010, amends the Mechanics Lien Act to now require a contractor who improves an owner-occupied, single-family residence to give the owner a certain written notice within 10 days after recording a lien against any property of the owner. There are grave consequences for failing to give the notice. For example, if timely notice is not given and it causes the owner to suffer damages before the notice is given, the lien is extinguished to the extent of the damage.

When to Review Your Estate Plan

A common question JBN attorneys receive every day is, "When should I review my estate plan?" Although there is no answer that fits every situation, there are general rules of thumb that you can follow.

In general, estate plans should be reviewed:

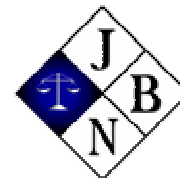
- When a child is born or adopted;
- When a child reaches the age of 18;
- Upon marriage or divorce;
- Upon the death of an heir, beneficiary, trustee, or executor;
- If you move to a different state;
- When you have a substantial change in wealth;
- If you change your mind about a beneficiary, trustee, guardian, or

- executor;
- When new legislation affects your estate plan; and
- Approximately every three to five years.

Also, accounts and insurance policies which have beneficiary or payable on death designations pass according to those designations, and generally not according to your Last Will and Testament. Therefore, it is important to properly complete these beneficiary forms and, if necessary, contact JBN to assist you.

DISCLAIMER: Nothing in this newsletter should be relied upon as legal advice. Please consult our office for legal advice tailored to your specific factual situation.
ONLINE NOTE: This newsletter is also available online at: www.peorialawyers.com.

- **Selling your home or refinancing? Tell your Realtor/Lender that you want JBN Title Services, Inc. to handle the closing and issue title insurance. Let us know and we'll apply our client discount to your closing costs.**



Johnson, Bunce & Noble, P.C.
Executive Offices—Parkway Plaza
7800 N. Sommer St.—Suite 425
Peoria, IL 61615-1994

RETURN SERVICE REQUESTED