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HEALTH CARE ALERT

March 19, 2007

Dear Clients and Friends:

We would like to take this opportunity to remind you of statutory requirements that may impact your professional practice. The New York Department of State and the State Education Department require that certain official statements be periodically filed by professional service corporations (P.C.s), professional service limited liability companies (PLLCs), and registered limited liability partnerships (RLLPs). Please review the following information with respect to the type of entity through which you are conducting your professional practice.

A. PROFESSIONAL SERVICE CORPORATIONS (P.C.s)

- Biennial Statement

Professional service corporations (P.C.s) are required by Section 408 of New York's Business Corporation Law to file a Biennial Statement every two (2) years with the Department of State, setting forth: (i) the name and business address of its chief executive officer; (ii) the street address of its principal executive office; and (iii) the post office address to which the Secretary of State shall mail a copy of any legal process served against it.

The filing period for a P.C. is the calendar month in which its original Certificate of Incorporation was filed (or the effective date thereof, if stated). The Biennial Statement is made on a form provided by the Secretary of State, which is automatically mailed to the most recent principal place of business on record; if none is listed, the form is mailed to the address set forth in the P.C.'s Certificate of Incorporation for the Secretary of State to forward service of legal process. A P.C. wishing to file a Biennial Statement that has not received such a form may request one by calling the Department of State at (518) 473-2492.

A P.C. that fails to file its Biennial Statement in a timely manner will be reflected in the Department's records as past due in the filing of its Biennial Statement. As a result, any Certificate under Seal or status letter obtained from the Department of State will reflect that the P.C. is past due in the filing of its Biennial Statement. This may prevent the P.C. from completing certain business transactions. Also, if a P.C. fails to keep its address for service of process current with the Department of State, the likelihood of a default judgment being entered against it in any litigation increases significantly.

- Triennial Statement

Professional service corporations (P.C.s) are required by Section 1514 of New York's Business Corporation Law to file a Triennial Statement every three (3) years with the State Education Department. The Triennial Statement is made on a form provided by the Education Department and must set forth: (i) the name and residence address of each shareholder, director and officer of the P.C.; and (ii) certification that

all such individuals are authorized by law in New York State to practice the profession which such P.C. is authorized to practice. The Triennial Statement must be signed by the President or any Vice-President of the P.C., and attested to by the Secretary or any Assistant Secretary of the P.C.

Triennial Statements are mailed to the P.C. by the State Education Department's Division of Professional Licensing Services. A P.C. wishing to file a Triennial Statement that has not received such a form may request one by calling the State Education Department at (518) 474-3817.

NOTE: Failure to file a Triennial Statement constitutes professional misconduct under Sections 6509 and 6530 of the State Education Law, potentially resulting in disciplinary action by the applicable licensing authority.

B. PROFESSIONAL SERVICE LIMITED LIABILITY COMPANIES (PLLCs)

Professional service limited liability companies (PLLCs) are required by Section 301(e) of New York's Limited Liability Company Law to file a Biennial Statement every two (2) years with the Department of State, setting forth the address to which the Secretary of State shall mail a copy of any legal process accepted on its behalf. The Biennial Statement form is provided by the Department of State.

The filing period for a PLLC is the calendar month in which its original Articles of Organization were filed (or the effective date thereof, if stated). The Biennial Statement is automatically mailed one (1) month prior to its due date to the address which the Department of State has on file for service of process. A PLLC wishing to file a Biennial Statement that has not received such a form may request one by calling the Department of State at (518) 473-2492.

A PLLC that fails to file its Biennial Statement in a timely manner will be reflected in the Department's records as past due in the filing of its Biennial Statement. As a result, any Certificate under Seal or status letter obtained from the Department of State will reflect that the PLLC is past due in the filing of its Biennial Statement. This may prevent the PLLC from completing certain business transactions. Also, if a PLLC fails to keep its address for service of process current with the Department of State, the likelihood of a default judgment being entered against it in any litigation increases significantly.

C. REGISTERED LIMITED LIABILITY PARTNERSHIPS (RLLPs)

Registered limited liability partnerships (RLLPs) must file an LLP Statement Update within sixty (60) days prior to the fifth (5th) anniversary of the effective date of their registration or notice of registration, and every five (5) years thereafter, as required by the Partnership Law.

The LLP Statement Update is made on a form provided by the Department of State and must set forth, pursuant to Partnership Law Section 1500(g): (i) the name of the RLLP; (ii) the address of its principal office; (iii) the address to which the Secretary of State shall mail a copy of any legal process; and (iv) a statement that it is eligible to register as a RLLP pursuant to subdivision (a) of Section 1500 of the Partnership Law.

The LLP Statement Update is automatically mailed two (2) months prior to its due date to the address which the Department of State has on file for the principal office of the RLLP. A RLLP wishing to file a LLP Statement Update that has not received such a form may request one by calling the Department of State at (518) 473-2492.

The registration of a RLLP that fails to timely file the LLP Statement Update will be revoked. Also, in order to minimize the possibility of a default judgment being entered against the RLLP in any lawsuit, the RLLP should keep its address for service of legal process current.