

GOLAN & CHRISTIE TEAMS UP WITH VERROS, LAFAKIS & BERKSHIRE TO FIGHT EXCESSIVE PROPERTY TAXES

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In these economic times, controlling real estate taxes has become an increasingly important issue for companies. Since its inception in 1993, Golan & Christie LLP has had substantial success representing owners of commercial properties in Cook and the surrounding counties in obtaining reductions in assessed values before both the Board of Review and the Property Tax Appeals Board.

Those efforts have resulted in hundreds of thousands of dollars of tax savings to our clients. Recently, one of them received a refund in excess of two million dollars (\$2,000,000). Liat Meisler and Stephen Golan are the attorneys at Golan & Christie leading this practice area.

To further strengthen this area of the practice, we have recently affiliated ourselves with Gregory Lafakis and Ellen Berkshire of Verros, Lafakis & Berkshire, PC on a co-counsel basis for some of our property tax work. Mr. Lafakis



STEPHEN L. GOLAN

has been doing real estate tax work exclusively for 31 years and was the General Counsel to the Cook County Assessor's Office in the 1980s. Ms. Berkshire has been working with Mr. Lafakis in the real estate tax area for the past five years. They bring a particular level of experience in litigation before the Property Tax Appeals Board.



LIAT R. MEISLER

We will offer Mr. Lafakis and Ms. Berkshire's expert services, at no additional cost to our clients, on a case-by-case basis if we feel the circumstances warrant it. Any compensation due to Verros, Lafakis & Berkshire, PC will be paid by Golan & Christie LLP under a fee sharing arrangement.

Simply call Ms. Meisler or Mr. Golan so they can match the right level of expertise to your commercial real estate tax matter and help you achieve your desired result.

PROTECTING YOURSELF FROM CLAIMS UNDER THE ILLINOIS MECHANICS LIEN ACT

Whether you are a business owner constructing a new facility or a homeowner making improvements to your residence, be aware that the upheaval in the credit markets, along with a weakening economy, has had an adverse impact on both the commercial and residential construction industry. With general contractors and subcontractors under financial strain, property owners need to be vigilant and protect themselves from claims under the Illinois Mechanics Lien Act ("Act") 770 ILCS 60/0.01 et seq.



OWEN P. QUINN

How does a lien claim affect me?

A properly filed and recorded mechanics lien allows general contractors and subcontractors to obtain a legal hold on property as security for the work performed or material provided, and to cloud title to your real property. Most lenders treat the existence of such liens as a default on the mortgage, and if you try to refinance or sell your property, the lien will show up on your title report and will have to be paid.

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WHAT CAN I DO TO PROTECT MYSELF?

Property owners can protect themselves from mechanics lien claims by requiring, as a condition to payment, the receipt of:

- Properly completed contractor's sworn statements from the general contractor; and
- subcontractors' affidavits from the subcontractors.

Under the Act, a general contractor is required to give the owner a sworn statement that identifies the names and addresses of all parties who furnished materials and labor and the amounts due or to become due to each. The Act requires a similar affidavit from subcontractors.

Per the Act, an owner can also request:

- That the subcontractor prepare and give the owner a statement of the persons furnishing material and labor and their names and addresses; and
- how much is owed or will become due.

An owner who receives a sworn statement and subcontractor's affidavit meeting the requirements of the Act may rely on those documents and will be protected, even if they turn out to be false. In addition, an owner should obtain lien waivers from all the parties listed on the general contractor's sworn statements and subcontractor's affidavits. The general rule is that a clear and unambiguous waiver of a contractor's or subcontractor's mechanics lien rights bars an action under the Act.

What should I look out for?

Remember that the Act is technical, which means that general contractors and subcontractors must strictly follow its requirements or they will lose their rights. To create a valid lien claim, certain documents must be sent to the property owner. If you receive any of the following documents, don't ignore them:

- A subcontractor must send written notice of its claim to the owner within 90 days of completion of its work (and for a single family owner-occupied residence, a subcontractor must also notify the owner that it is supplying material or labor within 60 days from the first day it provides the labor or material).
- A general contractor and subcontractor must file and record their claim for lien in the recorder's office of the county where the property is located within four months after completion of the work or final delivery of the goods.
- A general contractor and subcontractor must file a petition to foreclose or enforce its claim for lien within two years of the completion of the work or final delivery of the goods.

If you have any questions regarding the Illinois Mechanics Lien Act, please contact Owen P. Quinn.

GOLAN & CHRISTIE WELCOMES TWO NEW ATTORNEYS

Golan & Christie LLP is pleased to welcome Ms. Susan Ghelerter and Mr. Justin Clark to the firm.



SUSAN L. GHELERTER

Ms. Ghelerter is of counsel. She brings more than 25 years of experience to the firm, focusing her practice on Commercial Real Estate.

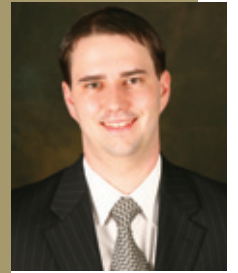
Prior to joining Golan & Christie, Ms. Ghelerter was in-house counsel at MCZ Development Corp., a national real estate development company. She

is a 1980 graduate of Suffolk University School of Law in Boston, Massachusetts, and received a Bachelor of Arts degree, *magna cum laude*, from Boston University in 1977.

Mr. Clark is an associate. His practice will focus on estate planning matters and all aspects of business taxation and executive compensation. He joins Golan & Christie after obtaining his Masters in Taxation from New York University.

Prior to attending NYU, Mr. Clark served as a law clerk for a boutique tax firm in Kansas City where he performed both tax related and general undertakings for individuals' estates, partnerships and corporations.

He graduated law school, cum laude, from the University of Missouri in Kansas City in 2007 and completed his undergraduate work at Westminster College in 2004. Mr. Clark is licensed to practice in Missouri and will be sitting for the Illinois Bar in July of 2008.



JUSTIN W. CLARK



EMPLOYMENT LAW ALERT



COMMON PAYROLL DEDUCTION MISTAKES TO AVOID

Both state and federal laws regulate the types and amount of deductions that an employer is permitted to make from an employee's paycheck. A failure to comply with these laws can lead to serious fines and penalties, not to mention the expense of having to defend a lawsuit that could have easily been avoided.

Mistake #1: Deducting for Employee Smoking Breaks

Since the passage of the Smoke Free Illinois Act prohibiting smoking inside and within 15 feet of all workplaces, more and more employees are taking time away from work to smoke. **There is no federal law, and no law in Illinois, which requires employers to allow smoking breaks. However, if the employer allows employees to take breaks, the employees must be compensated for that time assuming the break is less than 20 minutes long.** The reason is that any approved break that lasts for less than 20 minutes is considered "work time" and must be compensated under the Fair Labor Standards Act.

Mistake #2: Deducting from "Exempt" Employees' Paychecks

"Exempt" employees are employees who are not subject to the minimum wage and overtime laws because they fit within a particular exemption. In order to preserve their status as "exempt," these employees must receive their full, predetermined salaries that are not subject to reduction because of variations in the quality or quantity of the work performed. This means that if an exempt employee leaves work an hour early, he or she may be disciplined, but cannot lose any pay.

Additionally, the Department of Labor has recently issued an opinion that states that this rule extends to deductions that an employer makes for the damage or loss of company equipment. So while it is reasonable and permissible to establish a policy that charges non-exempt employees for the cost of damaged or lost company property, such a policy should not extend to exempt employees. It is important to note that deductions in pay for any employee must be handled the right way and with the proper consent from the employee, in order to be compliant with all applicable laws.

The Department of Labor also recommends that employers have a clearly communicated policy, such as an employee handbook, stating that the company prohibits improper salary deductions and establishing a process by which employees may bring any improper deductions to the employer's attention, so that they can be remedied.

If an exempt employee leaves work an hour early, he or she may be disciplined, but cannot lose any pay.

IMMIGRATION COMPLIANCE ENFORCEMENT GOES UNDERCOVER TO NAB OFFENDING CORPORATIONS

Ever since the Department of Homeland Security (DHS) took over the oversight and enforcement of immigration and worker documentation laws, there has been a change in the focus of compliance enforcement actions.

"We're not really doing fines anymore... We prefer to conduct criminal investigations," says the spokesperson for immigration and Customs Enforcement (ICE), the enforcement arm of DHS.

In fiscal year 2008, ICE made 863 criminal arrests, including 92 individuals who were in the employer's chain, including CEOs, Presidents, other members of management, and members of Human Resources (HR).

One way that ICE gathers evidence for a criminal investigation is by planting wires on employees who have been working in the United States illegally. These employees then initiate a conversation with a member of management or HR, wherein they admit that they are an unauthorized worker, claim that the company has known all along, and then they try to get the member of management or HR to confirm their knowledge. It is important to remember that any time you are told that one of your employees is not authorized to work in the United States, the appropriate response is to state that the company has a strict policy against employing unauthorized workers and that, if what you're being told is true, the company will be forced to terminate their employment.

Steps to Ensure Compliance

To avoid being the target of an enforcement action, your company should:

- 1) Learn about the law requirements;
- 2) develop and institute a compliance program;
- 3) assign to high-level personnel overall responsibility for the execution of the compliance program.

It is not sufficient to push the responsibility down to the lower level employees, because it does not evidence the company's commitment to being in compliance. If errors in the company's past practices are discovered, they can be remedied, but they must be acknowledged and addressed in the correct manner.

IRS INCREASES REIMBURSEMENT MILEAGE RATE FOR SECOND HALF OF 2008

On June 23, 2008, the Internal Revenue Service (IRS) announced an increase in the optional standard mileage rates for the final six months of 2008. Ordinarily, the IRS updates the rates once a year in the fall for the following calendar year. This year, due to skyrocketing fuel prices, the IRS has made a mid-year change. The change will become effective as of July 1, 2008 and will increase the rate for business miles from 50.5 cents per mile to 58.5 cents per mile. Though the IRS rate is optional and businesses are free to determine their own rate for mileage reimbursement, the IRS rate is often used by employers as a benchmark for reimbursement to their employees for mileage on work-related trips.

GOLAN & CHRISTIE

YOUR SUCCESS. OUR FOCUS.

OUR FOCUS IS YOU

Putting our clients first is not just a slogan for Golan & Christie. Everything we do stems from your needs, goals and objectives.

From the moment we first meet, we are driven by one thing: your ultimate success. And we go the extra mile to achieve it.

We devote as much time as necessary to get to know you. Only then can we make a thorough assessment of your situation and develop solutions that are the most appropriate for you. As our team goes to work for you, we continue to invest time in listening to, observing and advising you.

In the end, we measure our success by your success.

Prior editions of Golan & Christie's newsletters are available at <http://www.golanchristie.com/news.html>

OUR PRACTICE

Our practice covers many aspects of law and business, with an emphasis on the areas listed below:

- Business Law & Governance
- Commercial & Corporate Litigation
- Commercial Real Estate
- Employment Law
- Estate Planning & Taxation
- Finance
- Reorganization & Bankruptcy

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