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Inside this Issue

Include Funeral/
Burial in Estate
Plan 2
Bankruptcy from
a Creditor's
Perspective 2
Maintaining Cor-
porate Records 3
Friedman & Rum-
mell Welcomes
New Attorney 3
F&R Home to
Metro Land Title 4

Client Newsletter

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Attorney James Dietz Installed as President of Mahoning County Bar Association

Attorney James B. Dietz was installed as this year's Mahoning County Bar Association President at a banquet held at the Youngstown Country Club on Monday, June 30th. Attorney Dietz steps into this position after Attorney Jerry Ingram led the bar association this past year.

In addition to serving as this year's President, Jamie is also the managing partner of Friedman & Rummell. He also participates in many other organizations and is a very active member of the legal community. His professional affiliations include the Ohio State and Trumbull County Bar Associations, and the Mahoning-Shenango Valley Estate Planning Council. He also serves on the Boards of Trustees for the Mahoning County Bar Association, the Mahoning County Bar Foundation, Habitat for Humanity of Mahoning County, Inc., and Gateways to Better Living, Inc.



Attorney James B Dietz with his wife, Denise, and their two boys, James Jr. and Luke.

He has been a speaker on a variety of estate planning and probate topics, and has instructed the Estate Planning course at Youngstown State University in the graduate accounting program.

Jamie was the recipient of the 2005-2006 Lawyer of the Year Award presented by the

Mahoning County Bar Association. He has also been certified by the Ohio State Bar Association as a specialist in Estate Planning, Trust and Probate Law.

For more information on the bar association, visit them on the web at www.mahoningbar.org.

Attorney Norman A. Rheuban Recognized for Sixty Years

Attorney Norman A. Rheuban was recently recognized by the Mahoning County Bar Association for his sixty (60) years of dedicated service to the legal profession.

Attorney Rheuban was born in Cleveland, Ohio on February 27, 1921 and admitted to the bar in 1948. He graduated from Ohio State University in 1942 with a Bachelor of Arts and received his law degree in 1948 from the University of Pennsylvania. He is also a re-

tired U.S. Navy Lt. Commander who served in World War II, the Korean Conflict and the "Cold War".

Attorney Rheuban joined the Friedman & Rummell law firm after merging his law office of Rheuban and Palma in 2001.

We would like to congratulate him on this outstanding accomplishment and thank him for his many years of service and dedication to the Youngstown legal community.





Inside the main lobby of the Mahoning County Courthouse in downtown Youngstown.

“The Last Will and Testament typically is not the ideal location to identify your wishes with respect to funeral and burial decisions.”

Include Funeral/Burial in Estate Plan

By Christopher Schiavone

An often overlooked part of the estate planning process is the consideration of funeral and burial instructions. Generally, it is difficult for an individual to consider or express his or her wishes as to the distribution of property upon death, let alone think about what type of funeral to have or where he or she is to be buried. For many, the thought is simply too morbid. However, when someone passes away, the decision on a funeral director, burial, or cremation, place of burial, etc. needs to be made immediately.

The Last Will and Testament typically is not the ideal location to identify your wishes with respect to funeral and burial decisions. Many times the family or friends of the decedent do not look for the Will until after the funeral. In the event that such direction is not made known to relatives or other loved ones, the wishes would obviously be difficult to carry out. This places the burden of making

these arrangements on the decedent's loved ones during an already difficult time.

Effective October 12, 2006, Ohio Revised Code Sections 2108.70 through 2108.81 were enacted to provide statutory power to direct one's own funeral arrangements in advance and in the absence of such direction, a clear statutory “priority” to determine which individuals hold the right to direct funeral and burial arrangements. Prior to the enactment of these sections, the “priority” as to the individual who had the right to determine funeral and burial arrangements was unclear. A typical problem where the priority might have a significant impact occurred when the decedent left a surviving spouse and children of a prior marriage. In such a case, the surviving spouse and children of the decedent may not agree as to how the funeral arrangements should be made, and where the decedent is to be buried. This problem is all too common given the high incidence of divorce and remarriage.

Now, Ohio law provides that the decedent's surviving spouse is given the highest priority in the decision-making process as to funeral and burial arrangements with the children, parents and siblings following in the order of preference,

So, when organizing your estate plan, please also consider your intentions and wishes with respect to funeral and burial arrangements. This is especially important with second marriages. Preneed arrangements with reputable funeral directors eliminate the difficult decisions at a difficult time by your loved ones, and can further reduce the potential costs of these arrangements.

For more information on funeral/burial arrangements or other issues on estate planning, contact Attorney Christopher J. Schiavone at cschiavone@fandrlaw.com, Attorney James B. Dietz at jdietz@fandrlaw.com, or Attorney Tracie L. Schmidt at tschmidt@fandrlaw.com.

Bankruptcy from a Creditor's Perspective

By Carl Rafter

Much has been publicized concerning the number of business bankruptcies filed in recent years. A creditor who was paid prior to the bankrupt debtor's filing for bankruptcy may be targeted as having been the recipient of a “preference,” as that term is defined by the Bankruptcy Code.

The simple definition of a “preference” is the receipt by a creditor of a payment, on an old or somewhat stale account, for goods or services provided to the bankrupt entity, which payment was received within ninety (90) days prior to the date of the debtor's filing a petition for relief under either Chapter 7 (liquidation) or Chapter 11

(reorganization) of the United States Bankruptcy Code.

Once a bankruptcy is filed, it is incumbent upon the bankrupt debtor, either directly or through a court-appointed trustee, to request reimbursement of this preference payment. Typically, the trustee will review the books and records of the debtor and then send letters of demand for reimbursement to virtually all creditors to whom payment has been made within this 90-day preference window. The creditor should not panic and should not return the money, as many defenses exist, especially under the Bankruptcy Act which became effective in October, 2005. The 90-day reach-back period is extended

to one year under certain circumstances when insiders, such as officers, directors or owners of a debtor company, have received “preferential payment.”

The preference rules can also apply to individual bankruptcies. A common example may include a grandchild repaying money borrowed from a grandparent within one year of the grandchild's bankruptcy filing. That repayment may be subject to challenge as a preference.

For more information on this or other bankruptcy issues contact Attorney Carl Rafter at craft@fandrlaw.com.



Businesses Should Ensure That Their Corporate Records are Maintained and Up to Date

By Jamie Dietz

In accordance with state law, shareholders and board of directors of Ohio corporations are required to conduct meetings at least annually. To memorialize these meetings, corporations record "minutes" from the meeting and insert them in their corporate record book. The By-laws or Code of Regulations of the corporation dictate when these annual meetings are to be conducted. While it often seems impractical to hold a meeting when there is only one or two shareholders or directors, such a meeting is required nevertheless.

The items requiring approval by the shareholders and directors at the annual meetings can simply be noted in the corporation's minutes reflecting the date and time of the meetings. Typical approvals required at a shareholder's meeting include the approval of the company's financial reports, the election of directors and the ratification of the corporate activity during the past fiscal year.

At the annual director's meeting, items which are usually addressed include the election of officers and the fixing of their respective salaries.

Certain other actions of a corporation require approval as

well. These actions can be specifically authorized during the fiscal year through a special meeting of either the board of directors or the shareholders. The items requiring authorization may include borrowing of money, entering into leases, purchasing or selling of assets, and amending the company's By-laws.

In many instances, only board of director approval is required and therefore such authority through a special meeting should be obtained. When a corporation engages in any "significant" conduct, such as the sale of substantially all of its assets, amending the By-laws or corporate restructuring, shareholder approval is required through the similar process of the special meeting.

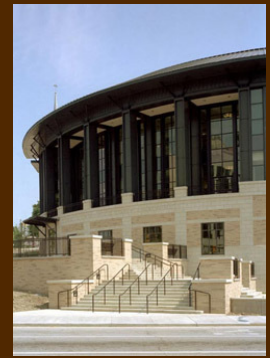
Ohio law permits the approval of corporate action by its shareholders or directors without a meeting, provided the corporation has unanimous consent by its shareholders or directors, as the case may be. This unanimous consent must be reduced to writing and contain an appropriate resolution reflecting the corporation's approval and/or authority.

Invariably, corporations are required to provide their corporate records to third parties re-

questing inspection of the corporate minute book, such as the Internal Revenue Service, Bureau of Worker's Compensation, lending institutions and perhaps a prospective purchaser of the business. If corporate minutes are not maintained on a somewhat regular basis, items may be overlooked and not properly recorded.

Very often, especially with close corporations (which consist of only a couple of shareholders), corporate records are not maintained in the normal course of business, even though certain actions are taken by the corporation with proper authority. It is very important that corporate minutes be "updated" to reflect the action required by Ohio law. For many of our clients, we assist in the process of forming a corporation, initializing the corporate records and then maintaining corporate minutes. It is certainly prudent for corporations to inspect their corporate minute book to confirm that all proper authorization and annual meetings have been duly recorded.

For more information on this or any other business law matter, contact Jamie Dietz at jdietz@fandrlaw.com.



Nathaniel R. Jones Federal Building and Courthouse, Youngstown.

"If corporate minutes are not maintained on a somewhat regular basis, items may be overlooked and not properly recorded."

Friedman & Rummell Welcomes New Attorney

Friedman & Rummell Co. L.P.A. is pleased to announce the addition of Tracie (Logar) Schmidt as a new Associate with the firm.

Ms. Schmidt is originally from McDonald, Ohio, and is a graduate of McDonald High School. She graduated summa cum laude from Kent State University in 2004 with her Bachelor of Business Administration in Business Management. She then obtained her Juris Doctor from the University of Toledo College of Law in 2007.

While attending the University of Toledo, Ms. Schmidt served as Secretary of the Student Bar Association for two years and was an active member of the Women's Law Student Association for three years. Her studies focused primarily on probate and estate planning, and labor & employment law. She also gained experience in mediation as part of her participation in the Alternative Dispute Resolution Clinic where she conducted general civil litigation and juvenile court mediation.

Ms. Schmidt served as a law clerk for Friedman & Rummell Co., L.P.A. after her second year of law school, and after becoming licensed to practice in the State of Ohio, she then joined the firm as an Associate.

She practices primarily in the areas of Estate Planning and Probate, Business, Employment Law and General Civil Litigation.



Attorney Tracie L. Schmidt

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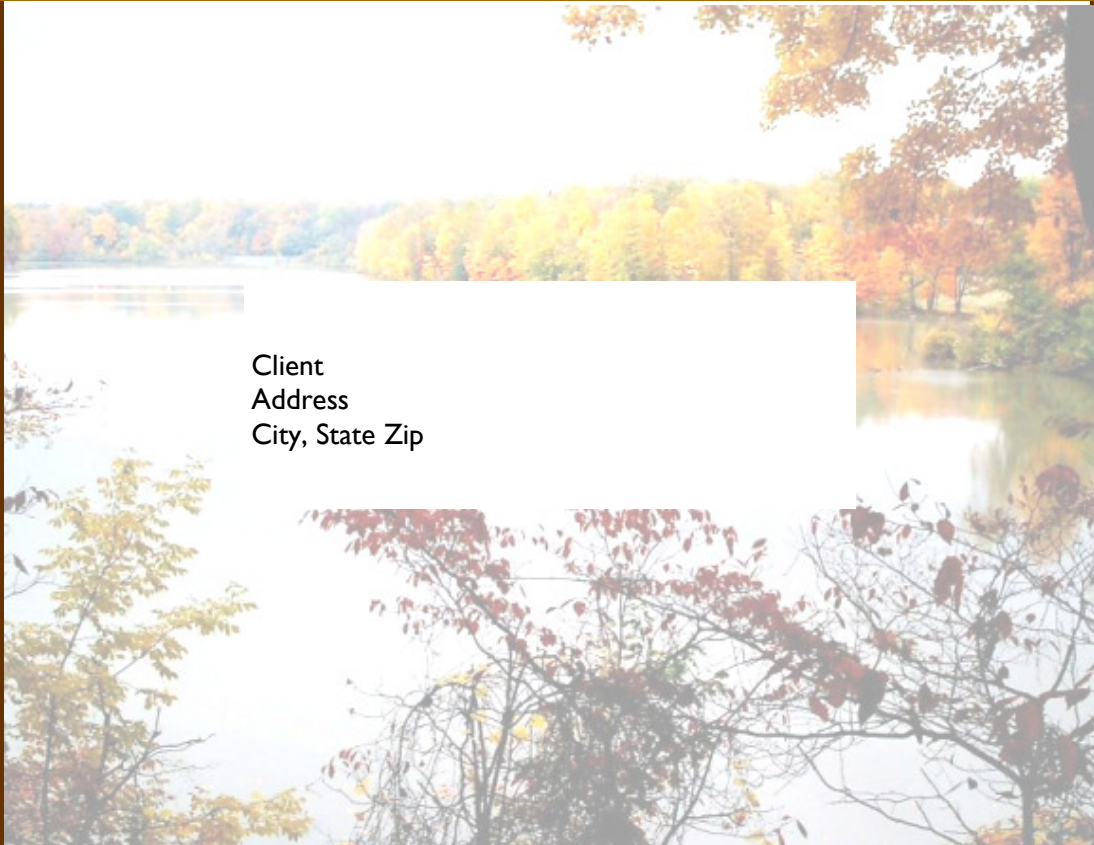
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Friedman & Rummell Home to Metro Land Title Agency

Friedman & Rummell Co., L.P.A. is also home to Metro Land Title Agency, Inc., a full service agency offering real estate title and escrow services to individual and corporate clients.

Since 1984, Metro Land Title Agency, Inc., (formerly Friedman & Rummell Title Agency) a First American Company, has been providing services for clients throughout much of Northeast Ohio. Metro Land Title Agency, Inc. is an agent for Ohio Bar Title Insurance Co. Our attorneys and staff have the knowledge and experience to properly assist you with all of your residential or commercial title and escrow needs.

Have questions? Feel free to email your questions to Metro Land Title Agency, Inc. at info@fandrlaw.com, call us at 330.744.9979, or fax your inquiries to 330.744.9962.

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