



122 Amsterdam Avenue
New York, NY 10023

MEMORANDUM

RE: ANNOUNCEMENT OF LATE FEE IMPLEMENTATION

EFFECTIVE: September 1st, 2014 Until Further Notice

From: Mark Lipari, Program Quality Services
To: All New York City Virtual Enterprise (VE) Firms
cc: Nick Chapman, National Program Director

Virtual Enterprise Firms,

In accordance with the changing policies of the New York City Virtual Regulatory Commission, it has been determined that if certain financial requirements defined herein are not filed and/or scheduled by the pre-determined due dates outlined on the following pages, your firm will be charged interest on any outstanding balance and/or assessed a one-time penalty which *must* be remitted immediately. The minimum interest charge across all accounts will be one month's interest. Penalties & interest rates will be assessed according to the schedules following this document.

The Virtual Regulatory Commission thanks you in advance for your cooperation in this matter.

A handwritten signature in black ink, appearing to read 'Mark Lipari', is written in a cursive style.

Mark Lipari, Program Quality Services



SCHEDULE OF LATE FEES¹

As Assessed By

The New York City Virtual Regulatory Commission

Section A: Sales Tax

If Applicable

If the amount of sales tax due falls between:	the penalty will be:
0 and \$500	5%
\$501 and \$1,000	10%
\$1,001 and \$2,500	15%
\$2,501 and \$5,000	20%
\$5,001 and \$10,000	25%
\$10,001 and \$15,000	40%
\$15,001 and \$25,000	60%
\$25,001 and \$50,000	75%
\$50,001 and \$75,000	100%
Greater than \$75,000	150%

NOTE: In addition to the schedule above, monthly interest will be computed on all outstanding balance at the rate of 1.5% per month (18% APR).

Section B: Rent & Utilities

- Payments of Heat, Electric, Telephone, Internet, & Rent may be assessed a late fee of 1.5% per month (18% APR) of the outstanding balance.

Section C: Outstanding Loan Liabilities

If Applicable

- In accordance with the Promissory Note signed by the Officer(s) of your Firm upon initiation of the loan, late fee penalties are as follows:
 - Payments not made within five (5) days of due date may be subject to a late charge of 18% of said payment.
 - **Additionally, the Virtual Regulatory Commission has determined that any overdue balance exceeding thirty (30) days may result in an adjustment of the outstanding loan's APR by a minimum of 0.25%.**

¹ Please note that any unpaid balance is considered "late" at the close of the fifth business day after the date due.

Section D: Corporate Tax

If Applicable

- In accordance with publication 1120-VE, the following penalties will be imposed for negligence:
 - **Late filing of return.** A Virtual Enterprise Firm that does not file its tax return by the due date may be penalized 5% of the unpaid tax for each month or part of a month the return is late, up to a maximum of 25% of the unpaid tax. The minimum penalty for a return that is over 60 days late is the smaller of the tax due or \$135. The penalty will not be imposed if the corporation can show that the failure to file on time was due to reasonable cause.
 - **Late payment of tax.** A firm that does not pay the tax when due generally may be penalized ½ of 1% of the unpaid tax for each month or part of a month the tax is not paid, up to a maximum of 25% of the unpaid tax.

Section E: Late Submissions of Critical Operational Documents

- The Virtual Regulatory Commission defines a “Critical Operational Document” as a report or other substantial source of information with a required submission to the New York City Regional Office. Such reports include, but may not be limited to:
 - Business Plans
 - Annual Reports
 - Board of Director’s Quarterly Reports
 - Firm Financial Data Forms

Firms that fail to submit documents after the due date may be assessed a one-time fee of \$1,500 per document.

If there are any questions or concerns regarding this notice, feel free to contact the New York City Virtual Enterprise Central Office at:

Virtual Enterprises, International
122 Amsterdam Avenue Rm. 251
C/o Mark Lipari, Program Quality Services
New York, NY 10023

Or call us at (212) 769-2710.



Mark Lipari, Program Quality Services

Summarized Information

<u>Title</u>	<u>Due Date</u>	<u>Late Fee</u>	<u>Pay to Account</u>
Sales Tax	The 20 th of the following month	Varies	100002330
Rent/ Utilities	1 st or last day of month	18% APR	100002322/ 100002655
Loan Repayments	1 st of the month	18% of due payment	100002224
Corporate Tax	Last Friday in June	Varies	100002354
Payroll Tax	Monthly	N/A	610412175
Specified Documents	Varies	\$1,500 per document	100002354