

Client Alert

California Department of Business Oversight to Launch New Online Filing Portal on June 18, 2014; File Overdue 25102(f) Notices Before June 13, 2014

The California Department of Business Oversight (formerly the Department of Corporations) has announced that at 12:00 pm on Wednesday, June 18, 2014, it will launch the self-service online portal of its new Document Quality Network (DOCQNET). The DOCQNET portal will replace the DOB's existing electronic filing system for notices of exemption under Corporations Code Section 25102(f) and the existing online access to securities and franchise information through the Cal-EASI portal. In addition, DOCQNET will expand online filing capability to include all California securities permit applications and exemption notices as well as all California franchise applications and exemption notices.

As part of the transition to DOCQNET, the current electronic filing system will be inaccessible and unavailable from 5:00 pm on Friday, June 13, 2014 to 12:00 pm on Wednesday, June 18, 2014. During this transition period, all Section 25102(f) notices must be filed in hard copy, sent via mail to one of the Department's regional offices, and accompanied by payment of the required fees. The Department has also announced that the unavailability of online filing during this period will not excuse a filer from a late filing, and that late fees will be assessed.

The Department had previously indicated that it would begin to vigorously impose and collect late fees for overdue Section 25102(f) notice filings. The more robust online access to data promised by DOCQNET increases the likelihood that the Department will become aware of such overdue filings and require the payment of late fees (up to \$2,500). Therefore, we strongly recommend that companies file all overdue Section 25102(f) notices, and pay the required filing fees, before June 13th to lessen the risk of incurring substantial late fees.

For additional information, please contact your Montgomery & Hansen attorney.