

Legal Fundamentals For Every Young Or Growing Business



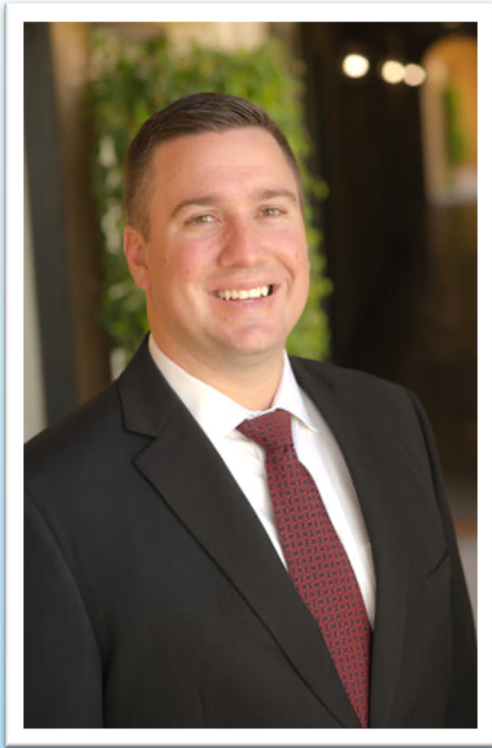
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Today We Will

- Pull back the curtains on the MOST common and IMPORTANT legal issues that our business clients face
- These issues are common REGARDLESS of INDUSTRY or business SIZE
- These are issues that should be on EVERY BUSINESS OWNER'S radar

We Will Address:

- The KEY foundational DOCUMENTS every business should have
- ESSENTIAL contracts that each business should NAIL
- Different steps business owners can take to LIMIT their PERSONAL LIABILITY
- How to AVOID LITIGATION
- How to HANDLE LITIGATION if the need arises

Please Keep In Mind

- While informative, this is an overview
- Correctly navigating these issues can be difficult
- Mistakes can be costly → Time & \$\$
- Talk to us if you face these situations → This is what we do, and we'd love to help!

Your Business' Key Documents

- LLC → Operating Agreement
- Corporation → Bylaws, Shareholder Agreement, (Stock Purchase Agreement)
- Partnership → Partnership Agreement
- Joint Venture → Joint Venture Agreement

Essential Contracts

- Employment
 - W2 v. 1099
- Vendor Contracts
 - Supply Agreements, Services Agreements
- Client-Facing
 - MSA, Sales Contracts
- Liability Waivers
- NDAs
- Terms & Conditions Of Use
 - Website, product or service
- Real Estate
 - Leases, Property Management
- Financing
 - SAFE, Loan Agreements, Stock Purchase Agreements

Employment

- Employee (W2) v. Independent Contractor (1099)
 - How to properly classify your staff
 - Consequences for improper classification
- “At-Will” v. Employment Contract
 - AZ is an “At-Will” state
- Using interns & volunteers

Intellectual Property

- Trademarks
 - Any word, phrase, symbol, design, or combination of these things that identifies your goods or services
 - State v. federal trademark
 - Key: 1) Class selection; 2) Proper & sufficient evidence to support application
 - Currently using (in commerce) v. Intent to use
- Patents
 - New & useful process, machine, manufacture, composition of matter, or any new and useful improvement of any of these things.
 - Get a patent attorney for this
- Copyrights
 - Creative works like: books, plays, songs, movies, graphics, etc.

Avoiding Personal Liability

- How does personal liability arise in the business context?
 - No entity
 - Improper entity
 - Personal guarantee of debt
 - Failure to maintain separation of personal/business
 - Improperly taking business opportunity
 - Malfeasance or fraud
 - Breaking the law

How To Avoid Personal Liability

- Select the proper legal entity for your business
- Make sure you set it up properly
- Be VERY CAREFUL when you personally guarantee ANYTHING
- Keep your personal and business lives separate → Finances (bank accounts), real property, personal property, etc.
- Don't do anything shady or illegal

Common Legal Claims

- Breach of contract (Failure to pay, etc.)
- Employment-related issues
- Intellectual property infringement or misuse
- Defamation, slander, libel
- Injury claims (slip and fall, product liability)
- Member/Owner/Partner disputes
- Warranty or Product Claims

What If Sh*t Hits The Fan?

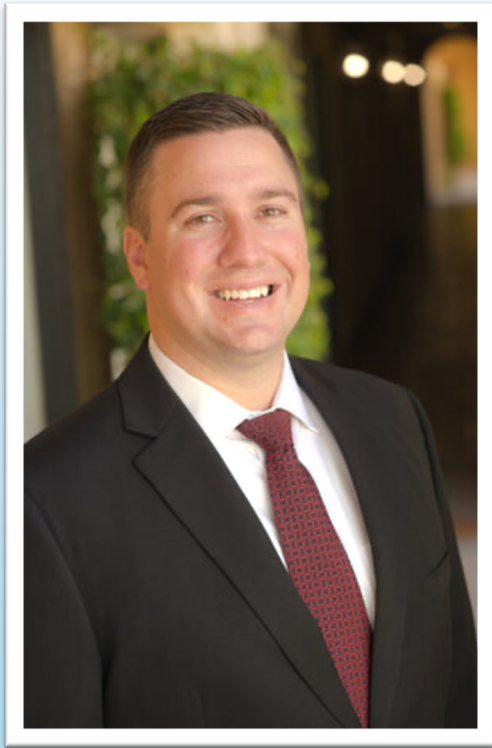
- What should you do when a legal problem arises?
 - Define and isolate the problem area or person to contain and prevent further damage
 - Cease communication
 - Talk to a lawyer AS SOON AS the problem arises
- How can you proactively prevent lawsuits?
 - Reduce your understandings to writing and get signatures wherever possible
 - Have properly drafted contracts
 - Begin working with an attorney early in your business' life
 - Screen your employees and business partners
 - Don't disclose more than you need to

Summary

- Anyone starting or running a business will need to properly address a number of issues
- These issues can vary across industries but most of them are common to all businesses
- If not handled properly and in time, they can cause major problems
- Please talk to us if you want help with anything we discussed



Any Questions?



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