



JOINT VENTURE TOPICS CHECKLIST

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Individuals and entities may enter into joint ventures and strategic alliances for a variety of business reasons. The parties may, for example, wish to pool resources for research and development of a prototype; to jointly manufacture an existing product; or to share distribution channels in the marketing or distribution of products. While usually intended to be limited and temporary in nature, sometimes these relationships are used as stepping stones to evaluate the advisability of a more permanent arrangement. The diversity of such arrangements is reflected in the variety of legal grounds on which joint ventures and strategic alliances are negotiated and proceed.

Before proceeding, prepare to determine the following:

1. Appropriate relative "share" ownership
 - a. Value of Cash or Services to be contributed
 - b. Value of Services to be compensated before equity return
2. Form of relationship? Form of control? Board or Working Committees?
 - a. Any regulatory restraint (e.g. Stark Amendment = One Corporation)
 - b. Phantom Divisions
 - c. Equityholders/Employees
3. Growth Plan (Selection of each Target(s) and Timing of Approach)
4. Third Party Relationships
 - a. Landlord
 - b. Suppliers
 - c. Customers/Clients
5. Initial Funding and Working Capital Requirements
 - a. Funding "Old" Buy-outs, if any
 - b. Funding Existing Debt
 - c. New Debt
 - d. Assigned Overhead
6. Geographic Requirements/Equipment Requirements
7. State Licensure and Certification Requirements, if any
8. Intellectual Property Ownership - TM(s) and TN(s)

9. Internal Operations
 - a. Assigned Responsibilities: Care Delivery; Billing/Collections; Quality Assessment; Management
 - b. Liability: Insurance Costs; Indemnities; Risk Assessment Procedure; Data Bank Problems
 - c. Compensation: Profitability; Specialty; Management Responsibility

10. Exit Vehicle
 - a. Objectives of Entity
 - (i) Short Term (Honeymoon = Put/Call Rights within first 3 years)
 - (ii) Long Term
 - b. Individual Break-up Provisions
 - (i) Funding break-up

11. Shareholder/Partner/Member Issues (attached)

No matter how flexible the parties wish to make the arrangement initially, it is essential to set forth in writing the form of relationship, the expected contribution of each party, the relative voice or control of each party and the ultimate "share" in both ownership of any property developed or acquired and in the proceeds of operations, if any. Anheil Maslow & MacMinn routinely assist clients in their efforts to define joint venture and strategic alliance agreements with respect to the work to be done, the services to be rendered by each party, collection and disbursement of funds and any liability for losses or damages arising out of their respective performance under the contract.

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