



Legal Checklist for Start-Ups

1. **Business Plan and Budget.** Develop and document concise, realistic business plan, including an 18-month initial budget.
2. **Advisory Team.** Engage advisory team (accountant, attorney, etc.).
3. **Entity Choice.** Address choice of entity issues (tax and non-tax). Select entity type and state of organization.
4. **Business Name and Branding.** Choose name (check availability with appropriate state agency), form entity and obtain FIN. Reserve domain names for websites and file applications for trademark and fictitious name registrations.
5. **Relationship with Co-Owners.**
 - a. Document owners' agreement (i.e., buy-sell agreement).
 - b. Draft bylaws if corporation is selected entity type.
6. **Franchise issues.** If business model is based on a franchise, obtain and review franchise agreement and related disclosure documents.
7. **Funding.** Raise capital, keeping in mind that compliance with securities laws is required.
8. **Intellectual Property.** Protect intellectual property:
 - a. Investigate availability of and file applications for patents and copyrights.
 - b. Draft confidentiality agreements for employees and trade partners.
 - c. Obtain IP assignments if needed.
 - d. Negotiate all necessary software and other license agreements for start-up use and exploitation.
9. **Permits.** Confirm that necessary permits and licenses are in place.
10. **Location.** Decide whether or not to lease office, warehouse or other space for the business; negotiate and document lease agreement.

11. **Equipment.** Identify equipment needs (e.g., phones, computers, scanners, printers, etc.); buy or lease equipment.
12. **Insurance.** Evaluate business risks and obtain appropriate insurance.
13. **Strategic Partners.** Identify necessary trade partners (e.g., suppliers, distributors); negotiate and document arrangements.
14. **Employees.** Determine when to hire employees based on anticipated timeline or financial target.
 - a. Protect intellectual property: obtain assignments of inventor rights, confidentiality agreements for both employees and independent contractors.
 - b. Prepare employee handbook
 - c. Develop policies and procedures.
 - d. Draft employment agreements, if needed.
 - e. Investigate possible employee benefit programs.
 - f. Obtain worker's compensation insurance.
15. **Succession Plan.** Develop and document a business succession plan/exit strategy that is consistent with your estate plan.

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