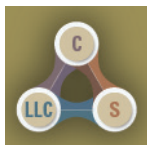


Legal Check-Up

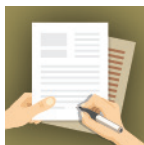
If you are like many entrepreneurs, your business plan may focus on growth, marketing or product development - or sometimes just day-to-day survival. In the middle of all the noise, you may not have taken the time to step back and assess whether the legal foundation is in place to protect the long-term health and sustainability of your business. In the same way you look out for your personal health by having an annual check-up, it's important to have a periodic legal check-up of your business.



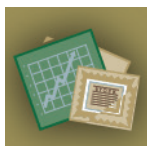
FOLLOWING ARE SOME OF THE ISSUES YOU COULD EXPECT TO BE COVERED IN A LEGAL CHECK-UP:



Form of Entity. Do you have the correct form of legal entity to optimize your overall tax-planning and for an acquisition? The form of entity can also impact strategies for sharing ownership of the company with employees.



Employment Agreements; Non-Competition Covenants. A legal check-up will reveal whether or not non-competition and non-disclosure covenants are in place with both inside staff and, when appropriate, with outside vendors.



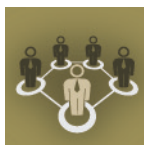
Ownership of Stock and LLC Interests. A legal check-up will also reveal whether stock records have been properly prepared and kept up-to-date so that there is a clear "chain of title" for ownership of the company.



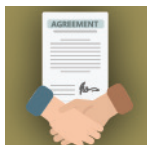
Contracts and Leases. We encourage clients to view contracts and leases as valuable assets which may eventually be sold in an acquisition. Certain clauses will add value to your contracts and will make the contact more attractive to a buyer in an acquisition.



Governing Documents. A legal check-up will also reveal whether key governing documents have been adopted and kept up-to-date so that corporate governance is well defined and that investors, directors and officers understand their rights and responsibilities.



Employment Matters. A legal check-up can determine if your company is in compliance with employment and wage and hour laws and regulations, and that effective benefit plans and employee policies are adopted.



Buy-Sell Agreements. A well drafted Buy-Sell Agreement (for a corporation) and an Operating Agreement (for an LLC) will address changes of ownership upon the occurrence of certain contingencies, such as death, disability, termination of employment, or bankruptcy of a stockholder.



Data Security. Most businesses work with IT professionals to make sure robust safeguards are in place against data breaches. But even with the best technological safeguards, breaches still occur.



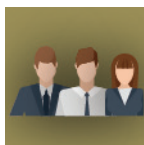
Identifying Intangible Assets. Many of your most valuable assets are intangible. These include intellectual property, technology, non-competition covenants, contracts, leases and technology licenses.



Spinning Off New Entities. Depending on where you are in your growth, it may be wise to spin off company divisions or assets into separate but affiliated legal entities.



Intellectual Property. As the company acquires inventions, processes, databases and branding, the resulting intellectual property (copyright, trademarks, patents and trade secrets) should be identified and properly documented and protected.



Assembling Your Professional Team. As part of the legal check-up, your attorney should help you plan an effective team of outside advisors, including a good CPA, HR professional, and, if appropriate, an M&A advisor and perhaps a valuation professional.



Every business is unique, and a legal check-up will not be exactly the same for any two companies. This should not, therefore, be viewed as an exhaustive list of the subjects of a legal check-up.

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