

## Founder Fundamentals

### Legal Considerations for Entrepreneurs

As you prepare to launch your company, below are some key business considerations to discuss with experienced legal counsel so that your business can set up for the greatest success.

#### Entity Formation

- Should you form an LLC or a corporation?
- Should you form your entity in Delaware?

#### Marketing and Branding

- Do you have the legal rights to use the name of your company, your products or your services?
- Do you have the legal rights to use your logo or slogans?

#### Founders and Co-Founders

- Have you and the other founders assigned all the inventions, ideas and know-how to the company?
- Have you or any other founders been issued equity in the company?
- Do you have a written agreement governing the transfer or sale of any equity, how profits and losses will be shared, and what happens when someone becomes disabled, dies or divorces?

#### Tax Planning

- Have you properly considered the tax implications for yourself, other founders and the company?
- Do you need to file a separate tax return for the company?
- What are the tax implications of granting equity?

#### Protecting Intellectual Property Rights

- Should you file any trademarks, copyrights or patents?
- Have you and all other individuals with access to proprietary or confidential information signed confidentiality agreements to protect the confidential and proprietary information of the company?
- Have all parties involved with the company assigned their rights to any inventions, ideas and know-how to the company?

#### Employees and Contractor Documents and Practices

- Have all employees executed a written offer letter or employment agreement setting forth the terms of their employment?
- Have all contractors executed a written agreement setting forth the terms of their engagement?
- Are all employees and contracts under noncompetition, nonsolicitation and nondisparagement obligations?
- Will you issue and stock options or similar equity compensation to employees and contractors?
- Do you know how to properly terminate an individual's employment?
- Are you complying with all wage, hour and similar employment and labor laws and regulations?
- Will any individuals performing services for the business be non-U.S. citizens?

#### Regulatory Considerations

- What local, state and federal laws and regulations are applicable to your business?
- Are you complying with them?
- What is the best plan to ensure you are complying with them?

## Investors and Capital Raising

- Do you plan to raise money from friends and family, wealthy individuals, venture capitalists or private equity funds?
- Do you have the right strategy in place to maximize your success with fundraising?

## Real Estate

- Do you have a workspace for your business?
- Do you have a written lease agreement with appropriate provisions?

## Corporate Housekeeping

- Do you have a separate company bank account that is used solely for the company's business?
- Do you maintain written books, records and approvals for all company actions?
- Is the company properly insured?

## Permits, Licenses and Registration

- Do you have all the permits and licenses you are required to maintain to conduct the company's business?
- Are you qualified to do business in all the appropriate jurisdictions?

## Business Contracts

- Do you have good forms to use?
- What contracts should the company's lawyer review?
- What are the key provisions to the contracts applicable to the company's business?

## Data, Privacy and Website Legal Documents

- Do you have a website?
- Do you have terms of use, a privacy policy and any other required legal items for your website?

## Business Succession and Estate Planning

- What happens to the business if you or another person key to the company dies or becomes disabled?

## Sale Events

- How can you create the most value in your business and position yourself for the best sale possible?

## Contact



**Elizabeth D. Sigety**

Chair

Emerging Companies & Venture

Capital Practice

215.918.3554

[esigety@foxrothschild.com](mailto:esigety@foxrothschild.com)

To review the complete Founder Fundamentals library and Fox Launchpad services hub for early-stage companies, visit the [Emerging Companies & Venture Capital Practice](#) homepage.