

Contents

Introduction	vii
---------------------------	------------

About the Author	ix
-------------------------------	-----------

Chapter 1

Reaching Out to Small Businesses	1
---	----------

Marketing Letter Featuring an Attorney and Reception	3
--	---

Marketing Letter Inviting Contract Review	4
---	---

Marketing Letter Featuring Reminder Re: Corporate Tax Returns	5
---	---

Marketing Letter Featuring a Change in the Law or Recent Decision	6
---	---

Marketing Letter Congratulating a Small Business	7
--	---

Seeking Referrals for Other Services for a Client	8
---	---

Seasonal Greetings	9
--------------------------	---

Notice Regarding New Office Location	10
--	----

Estimating Legal Expenses for a Start-up	11
--	----

Following Up on an Initial Phone Call	14
---	----

Engage or Decline After an Initial Meeting	15
--	----

Chapter 2

Engaging and Disengaging the Small-Business Client	17
---	-----------

Engagement Letter with Alternative Paragraphs	19
---	----

E-mail Footers for Correspondence with Clients	25
--	----

Authorization to Transfer Files to New Firm	26
---	----

Protecting the Attorney-Client Privilege	28
--	----

Forwarding an Invoice for Legal Services	29
--	----

Responding to Billing Inquiries	30
---------------------------------------	----

Professional Reference for Client for Foreign Banking Purposes	32
--	----

Letter to Client Who Is Transferring to Other Counsel	33
---	----

Termination Letter to Client for Nonpayment	34
---	----

Letter to Former Client Regarding Disposition of File	35
---	----

Letter Forwarding File to New Counsel	36
---	----

Chapter 3

Forming or Dissolving an Entity37

Choosing Between a Corporation and a LLC 39
Tax Planning in Connection with Corporate Structuring 41
Deciding Whether to Form a Subsidiary or a Division 42
Drafting a Founders’ Agreement 45
Forwarding Articles to the Secretary of State for Filing 46
Forwarding Organizational Documents to a New Corporation (Short Form) .. 47
Forwarding Organizational Documents to a New Corporation (Long Form) .. 48
Following Up on Organizational Documents for New Corporation 57
Determining the Size of the Board of Directors 59
Forwarding Investment Documents to a New Corporation 60
Forwarding Stock Certificates 62
Forwarding Organizational Documents to New LLC (Long Form) 63
Forwarding Draft Form 1023 Application to Nonprofit Client 74
Forwarding Form 1023 Application to IRS 75
Forwarding Exemption Request to State on Behalf of Nonprofit Client 76
Forwarding an Election to Wind Up and Dissolve for Filing 77
Forwarding a Certificate of Dissolution for Filing 78
Letter to Attorney General for Dissolving Nonprofit 79

Chapter 4

Protecting Intellectual Property81

Trademarks, Trade Names, and Trade Secrets 83
Fictitious Business Names 84
Forwarding Form NDA to Help Protect Trade Secrets 85
Copyright Protection for Software 86
Updating Copyright Notices 88
Obligations of Former Employee Regarding Termination Certificate 89
Former Employee’s Obligations Regarding Trade Secrets 90
Notice to New Employer of Former Employee with Trade Secrets 92
Cease and Desist Letter to Former Contractor 94
Sharing a Patentable Business Concept with Persons Outside the
United States 95
Registering a Trademark or Service Mark 96
Forwarding a Notice of Publication on a Trademark Application 100
Forwarding a Certificate of Registration for a Trademark 101
Forwarding a Certificate of Registration for a Service Mark to Client 102

Chapter 5

Entity Compliance and Maintenance103

Doing Business in More Than One State 105
Annual Reminder to Delaware Corporation 106
Forwarding Ballots and Inspector Agreement for Annual Shareholder Meeting 107
Letter to Corporation with Reminder Re: Corporate Governance Matters ... 108
Annual Reminder to LLC 110
Warning Regarding Scam Annual Filing Notices 111
Forwarding a Complaint Received from Agent for Service 112
Forwarding Statement of Information for Filing 113
Forwarding Resignation of Agent for Service for Filing 114
Forwarding W-2 Form to Employee or Former Employee 115
Forwarding Employment Tax Return and Payment to IRS 116
Forwarding Employment Tax Returns and Payment to State 117
Forwarding Form for Nonprofit Receipts 118
Letter with Instructions for Sale of Stock Held by Company 121
Audit Response Letter 122

Chapter 6

Business Plans and Contracts125

Forwarding a Template for an Executive Summary 127
Responding to Inquiry After Executive Summary Review 128
Contracting for Website Development 129
Setting Up a Meeting to Discuss Form Contracts and Boilerplate 130
Legal Limitations on Interest on Loans 131
Terms for Design Escrow Agreement 133
Termination of Manufacturing Contract 134
Demand to Party That Prematurely Terminated Contract 137
Response to Unfounded Contractual Demands 138
Forwarding Premarital Agreement to Client 139
Forwarding Documents for a Real Estate–Secured Loan 140
Letter of Intent 141

Chapter 7

Directors, Employees, and Equity Compensation145

Invitation to Join Board of Directors 147
Invitation to Join Nonprofit Board of Directors 149
Checklist for Employment Law Compliance 151
Background Checks on Prospective Employees 153
Offer Letter to Prospective Employee 156



Employment Taxes and Payroll Services	158
Differences Between Independent Contractors and Employees	160
Forwarding an Employee Handbook	162
Forwarding Illness and Injury Prevention Policy	163
Requesting Information for Employment Agreement	164
Avoiding Harassment Claims	166
Using Stock Options Versus Stock Grants; Option Pricing	167
Forwarding a Stock Option Plan to Client	170
Forwarding Notice of Options Issuance for Filing	172
Forwarding an Option Grant and Making an 83(b) Election	173
Pricing Stock Options in Privately Held Entity	175

Chapter 8

Raising Money in Private Placements179

Securities Law Compliance	181
Offering to Investors Outside the United States	182
Avoiding Liability for Using Finders to Raise Funds	183
Accredited Investors	184
Disclosure Requirements for an Offering under Rule 506	186
Keeping a Private Placement “Private”	188
Forwarding a Draft Convertible Note and Board Consent to Client	189
Forwarding Convertible Note and Subscription Agreement	190
Forwarding a Draft Form D Notice of Sale to Client	191
Opinion in Connection with Stock Offering	192