



LILES LAW

LEGAL PROTECTIONS HANDBOOK

Protecting
yourself.

Protecting your
company.

Protecting your
sanity.



LEGAL PROTECTIONS HANDBOOK

This information is presented for educational purposes only and does not constitute legal advice.

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LILES LAW

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How to protect your **decision** to start a business:



If you're currently employed:

WHAT'S HOLDING YOU BACK?

How do you feel about your current job?

Do you envision yourself in the same place next year?

Is your business idea meant to supplement or replace your current career?

Can you find time in your schedule to start something new?

How do you feel about the idea of starting a side hustle?

SIDE HUSTLE CHECKLIST:

Check Employment Agreement and Employee Handbook.

Check for other employee policies, such as a conflict-of-interest policy or anti-moonlighting policy.

Check for IP Assignment Agreement.

Consider current title and level of employment.

Consider how side hustle might conflict or compete with current business activities.

Consider whether you want to ask for permission. If so, get it in writing.



If you've recently left employment:

HOW DID IT END?

Did you quit or were you let go?

Did it end on a positive note or is it a messy situation?

Are you still in touch with prior coworkers and management?

Did you start any new business activities while still employed?

Did any other coworkers leave with you to start this new business?

WHAT DID YOU SIGN?

Check prior Employment Agreement and Employee Handbook.


Check for other related agreements, such as a Non-compete and/or Non-solicitation Agreement.

Check for IP Assignment Agreement.

Check the term of any identified restrictions.

Consider prior title and level of employment.

Consider how your new business might compete with former employer.

 **Similar restrictions might apply to independent contractors**



How to protect your
yourself
and
your family:



Establish a Separate Entity

WHAT KIND?

Will you have business partners? If so, how many?

What is the mission of the company?

What goods or services are you going to provide?

What type of revenue stream does your business model anticipate?

What kind of income do you expect?

Are you interested in seeking venture capital funding in the near future?

Will you be bringing on employees or contractors to whom you'd like to give stock options?

Do you prefer flexibility over formality?

S CORP?

In most cases, an S Corp is **not** a separate legal entity (like an LLC or corporation).

It's an election that you make with the IRS that requests that you be taxed a certain way.

You have to be eligible to make an S corp election - not everybody can do it.

It's not advantageous for everyone.

Check with your CPA!

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Establish a Separate Entity

WHERE?

Where is your main place of business?

Where are your primary areas of operation?

Where will the founders be located?

Where will your customers or clients be located?

Where will you employees and contractors (if any) be located?

Will your business be operating online or from a brick and mortar shop?

DELAWARE?

Strong history of business-friendly laws.

Statutes like the Delaware General Corporation Act and the Limited Liability Company Act are frequently updated to be at the forefront of business law developments.

Well-developed body of caselaw.

Delaware courts resolve business disputes pretty efficiently.

More attractive to sophisticated investors.

Additional administrative hurdles and costs.



Act Like a Business

CORPORATE DOCUMENTS

Did you establish an LLC? Get an Operating Agreement drafted (whether or not you are the sole founder).

Did you establish a corporation? Get the Corporate Bylaws drafted (whether or not you are the sole founder).

What other corporate documents do you need? Founders Agreement? Stock Repurchase Agreement?

What corporate consents are necessary? What resolutions might your company need to adopt?

Save all corporate documents with your business files!

BUSINESS PRACTICES

Business bank accounts

Flow of funds and documentation

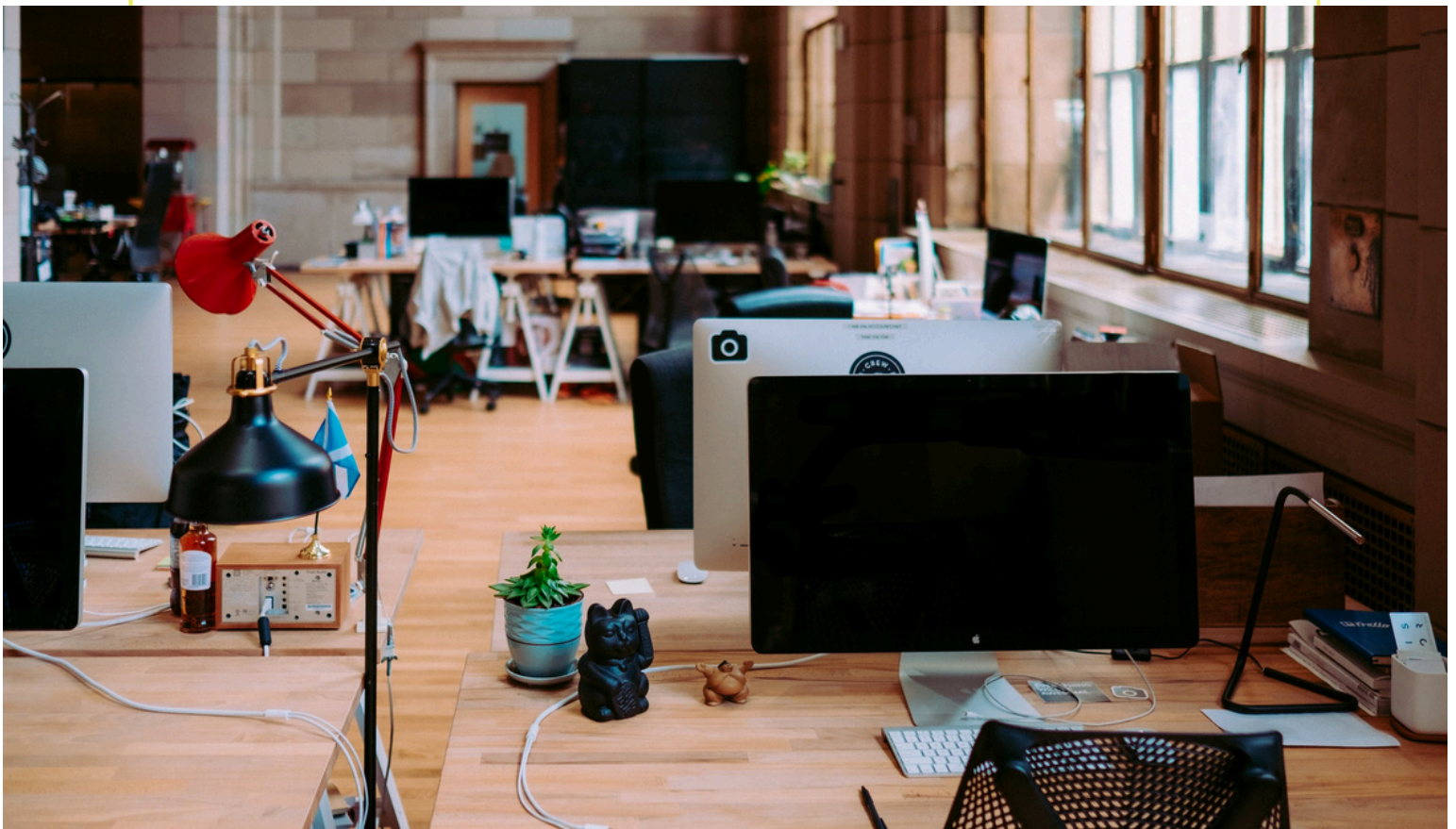
Adequate capitalization

Signatory on corporate documents

Corporate formalities



How to protect your **business:**



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Protect Your Business

LAWS & REGULATIONS

What laws and regulations apply to your industry?

What laws and regulations apply to your business practices?

Will you be hiring employees?

If so, you need to comply with employment laws.

Will you be engaging in digital marketing?

If so, you need to comply with marketing laws, like FTC (for emails) and/or TCPA (for text messages)

Will you be gathering personal data (e.g., names or email addresses)?

If so, you need to comply with data privacy laws, like CCPA and/or GDPR.

INSURANCE

Determine the appropriate amount of business insurance depending on your industry and business practices.

Remember that some clients may require certain levels of insurance.

Consider events that may trigger the need for more/additional insurance, such as hiring employees, hosting data, or providing in-person services.



Communication & Documentation

KEY CONTRACTS

- Client Agreement - Goods or Services
- Website Terms of Use
- Privacy Policy
- Non-disclosure Agreement
- Employment Agreement
- Independent Contractor Agreement
- Software-as-a-Service Agreement
- Mobile App EULA
- Collaboration Agreement
- Referral Fee Agreement
- Speaker Agreement
- Property Lease



How to protect your **IP** and **brand**:



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Play Defense & Offense

INTELLECTUAL PROPERTY

Patent - grant of a property right to an inventor; 20 years from application filing date.

Copyright - exclusive rights to a creative work; life plus 70 years.

Trademark - protection of a company's name/logo.

Trade Secret - information that has economic value because it's not generally known and owner uses reasonable efforts to protect.

Business owners may use a combination of efforts, including registrations and contract terms, to protect their IP.

BRAND

Brand protection extends beyond intellectual property registrations.

Ongoing efforts to monitor IP violations and public statements about your company.

Is somebody else using a confusingly similar name or logo?

What is being said about your company in articles, blogs, and reviews?



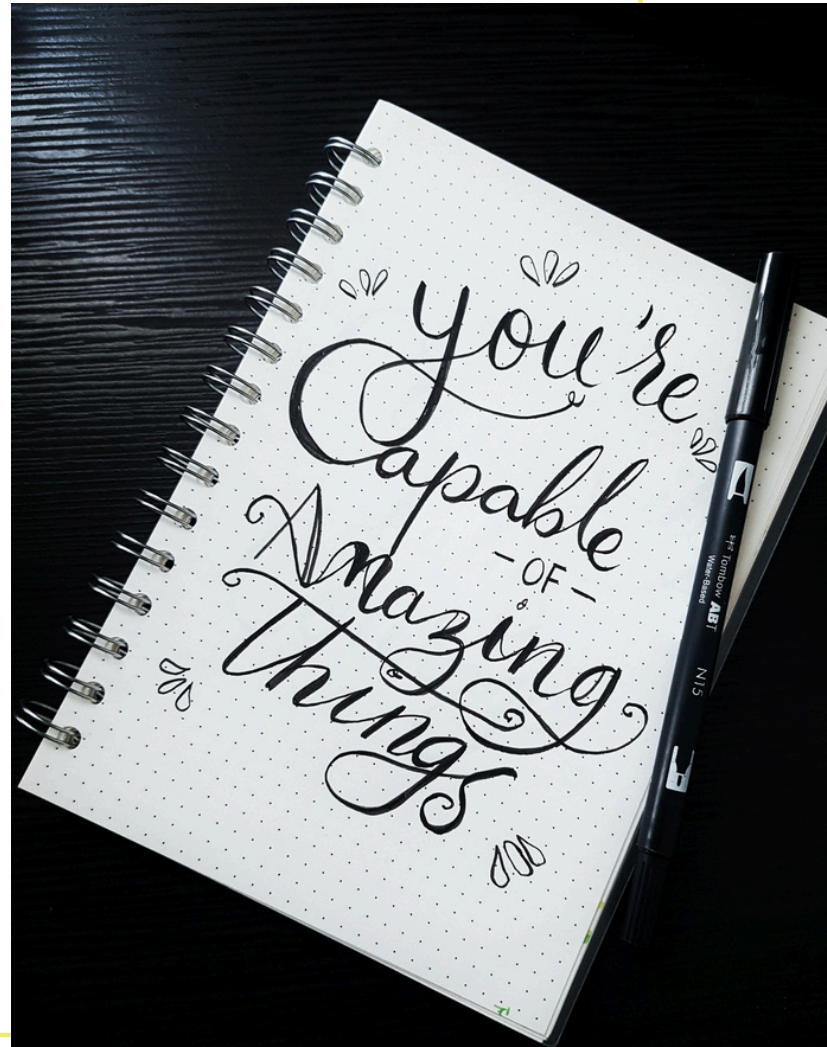
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How to protect your **sanity:**



KEY CONCEPTS

- Take care of yourself
- Create a company that aligns with your values
- Stay true to your core mission
- Pivot when needed
- Start with trust
- Rely on communication and documentation
- Build team of experts
- Reach out for help
- Pause when needed
- **HAVE FUN!**



BOOKS RECOMMENDATIONS

- The Lean Startup
- Zero to One
- E-Myth
- Deep Work
- Traction
- Do Cool Sh*t
- Profit First
- The One Thing



NEXT STEPS:

Contact us today to schedule a consult:

CONTACT US



OR

*Visit
Website*



SCAN ME