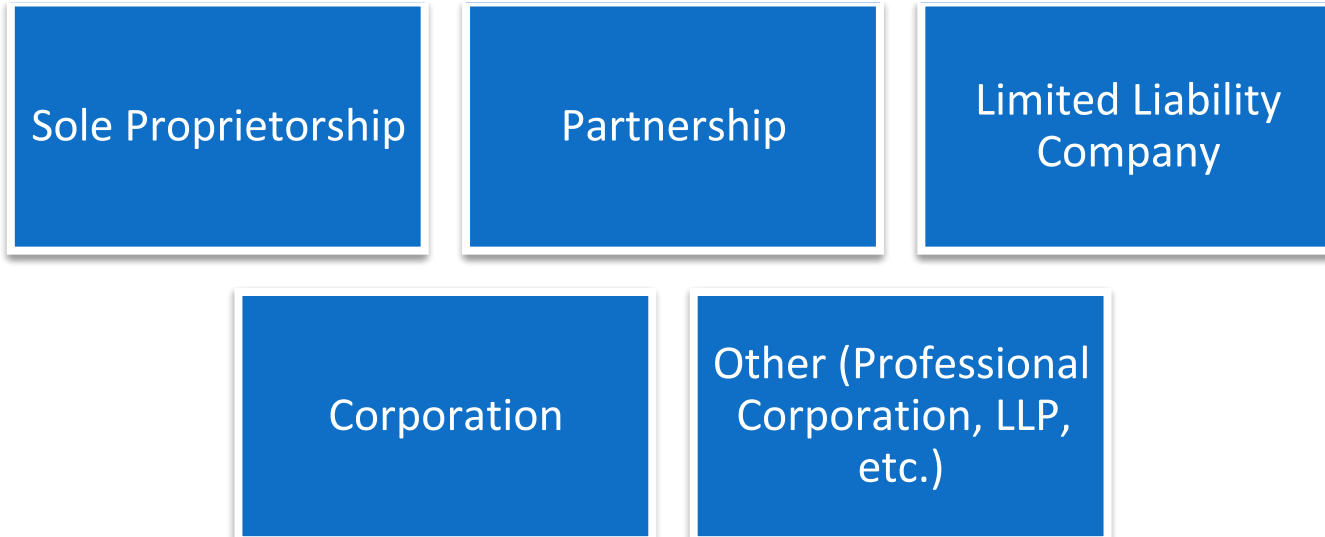


LEGAL CONSIDERATIONS FOR YOUR SMALL BUSINESS

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Business Entity Types



Professionals

Attorney

Accountant

Insurance
Agent

Insurance Coverage, Asset Protection, Liability

Types of Insurance and what is covered

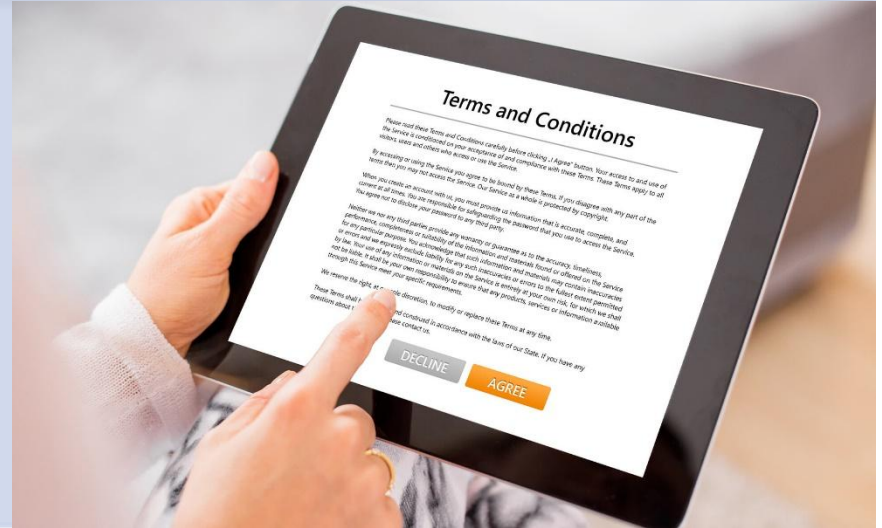
- CGL, Umbrella, Asset Insurance (inventory, receivables, equipment, etc.), worker's compensation, cybersecurity, other

What is not covered by Insurance?

- Gross negligence, fraud, willful misconduct, economic injury/consequential

Terms and Conditions

- Consumer facing
 - Limitations and disclaimers
 - Statutorily required notices
 - Understand limitations
- Business facing
 - Duties and expectations



Limitation of Liability



Consequential damage waivers Why is this useful? - Examples



Specific limitations



Limitations to insurance



Natural limitations of limited assets and LLC/corporate protections

Piercing the Corporate Veil

- Obey corporate formalities
- Do not commingle funds
- Create paper trails and official agreements between related businesses
 - o Make them fair/market – no sweetheart deals
- Heavily marketed Parent with subsidiaries that do the actual work and enter into the actual contracts creates exposure for enterprise liability



Contracts

- See previous – Limitation of Liability
- Term and Termination
 - How do I get out of a contract?
 - What to do if other side breaches?
 - Automatic renewals?
 - Requirements contract?



Contracts (cont'd)

- Warranty
 - Provide one and limit
 - Repair or replace (or refund)
 - Time limitations
 - Procedure for claims if specific
 - No other warranties express or implied

Contracts (cont'd)

- Indemnification
 - What does it look like?
 - Reciprocation
 - Limit to Insurance

Contracts (cont'd)

- Delivery
 - Time is of the essence
 - See previous – Consequential Damages
 - Incoterms

Contracts (cont'd)

- Other Things to Consider
 - Set off rights
 - Specific requirements
 - Things you specifically need from them
 - Things they specifically need from you (can you perform)
 - Time frames for performance and cure for breach

QUESTIONS???