PRACTICE AREA

ENTITY FORMATION AND STRUCTURING

Our experienced business attorneys are here to assist businesses and entrepreneurs with entity formation and structuring, providing guidance on the best legal structure for their business.

We understand that choosing the right entity formation and structure for your business is crucial for its success. Whether you are starting a new venture or reorganizing an existing business, our attorneys can guide you through the process and help you select the right entity structure to meet your goals.

Why is Entity Formation and Structuring Important?

Entity formation and structuring is the process of creating a legal entity to operate a business or venture. The entity structure you choose will determine the legal and tax obligations, as well as the rights and responsibilities of the owners and managers. Choosing the right entity structure is important because it can affect the success of your business, including its ability to raise capital, attract investors, and manage risk.

There are several types of entities to choose from, including sole proprietorships, partnerships, limited liability companies (LLCs), corporations, and nonprofit organizations. Each has its own advantages and disadvantages, depending on your specific needs and goals.

Sole Proprietorships and Partnerships

Sole proprietorships and partnerships are the simplest and most common forms of business entities. In a sole proprietorship, a single individual owns and operates the business. In a partnership, two or more individuals share ownership and management responsibilities.

The main advantage of a sole proprietorship or partnership is that they are relatively easy and inexpensive to form. However, they also come with a significant downside, the owners are personally liable for the business's debts and liabilities.

Limited Liability Companies (LLCs)

Limited liability companies (LLCs) are a popular choice for small businesses and startups. An LLC offers the flexibility of a partnership, with the liability protection of a corporation. This means that the owners (or "members") are not personally liable for the company's debts and liabilities.

Another advantage of an LLC is that it can be taxed as a partnership, which means that the company's profits and losses pass through to the owners' personal tax returns. This can be beneficial for small businesses, as it allows

them to avoid the double taxation that corporations experience.

Corporations

Corporations are separate legal entities that are owned by shareholders. They offer the most significant liability protection, as the owners are not personally liable for the company's debts and liabilities. However, they also come with more complex legal and tax requirements, making them a less popular choice for small businesses and startups.

There are two types of corporations, C corporations and S corporations. C corporations are subject to double taxation, meaning that the company's profits are taxed at the corporate level, and then again when they are distributed to shareholders as dividends. S corporations, on the other hand, are taxed as pass-through entities, meaning that the company's profits and losses pass through to the owners' personal tax returns.

Nonprofit Organizations

Nonprofit organizations are entities that are organized for a specific purpose other than making a profit. They can be formed as corporations, LLCs, or other entities, but they must follow specific rules and regulations to maintain their tax-exempt status.

Nonprofits are generally exempt from federal income taxes, as well as some state and local taxes. They are also eligible for certain types of grants and other funding opportunities that are not available to for-profit businesses.

How Our Attorneys Can Help

Choosing the right entity structure for your business can be a complex and challenging process. Our experienced attorneys can guide you through the process and help you select the right entity formation and structure to meet your goals.

We help clients with all aspects of entity formation and structuring, including:

- Choosing the right entity structure for your business or venture
- Drafting and filing formation documents, such as articles of incorporation or organization
- Creating operating agreements, bylaws, and other governing documents

- Drafting and negotiating shareholder agreements, partnership agreements, and other ownership agreements
- Advising on tax implications and strategies, including federal and state tax filing requirements
- Assisting with corporate governance, including board and shareholder meetings, and compliance with corporate formalities
- Providing ongoing support and counsel for businesses throughout their lifecycle, from formation to growth and expansion.

Our attorneys provide personalized, comprehensive legal services to meet the unique needs of each client. We understand that every business is different, and we take the time to get to know our clients and their goals.

We also stay up to date with the latest legal developments and changes in business and tax laws, to provide our clients with the most effective and efficient advice possible.

We work with businesses of all sizes, from small startups to large corporations, as well as nonprofits and other organizations. Our goal is to help our clients achieve their goals and succeed in today's competitive business environment.

In addition to our entity formation and structuring services, we also provide a range of other business and commercial legal services, including contract drafting and negotiation, employment law, intellectual property protection, and dispute resolution.

If you are starting a new business or reorganizing an existing one, contact us today to learn more about how we can help with your entity formation and structuring needs. We are committed to providing the highest quality legal services and to helping our clients achieve their goals and succeed in today's business world.