

TeamCamp
May 7, 2009

How do I structure my business?

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LaBarge Weinstein Professional Corporation



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Three Basic Structures

- **Sole Proprietorship**
- **Partnership**
- **Corporation**



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Sole Proprietorship

- **Pros:**
 - **Simplicity, ease of use, creation, dissolution**
- **Cons:**
 - **Unlimited liability**
 - **Going it alone**



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Partnership

“relation that subsists between persons carrying on business in common with a view to a profit”

•Pros:

- Simplicity**
- Tax losses**

•Cons:

- Unlimited liability**
- Not pro-investor**



Corporation

- **Pros:**
 - **Limited liability**
 - **Flexibility of Structure**
 - **Tax**
 - **Pro Investor**
- **Cons:**
 - **Administratively more complex than other models**

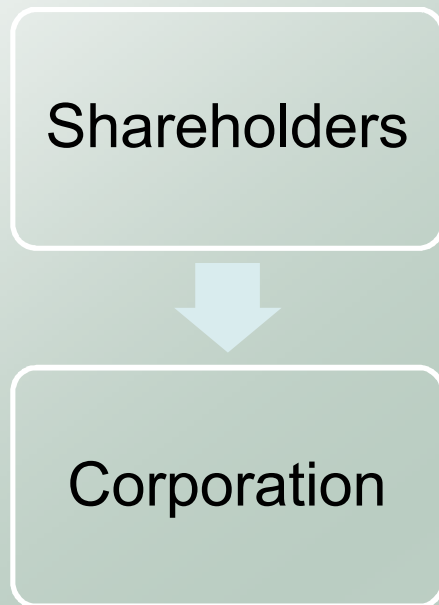


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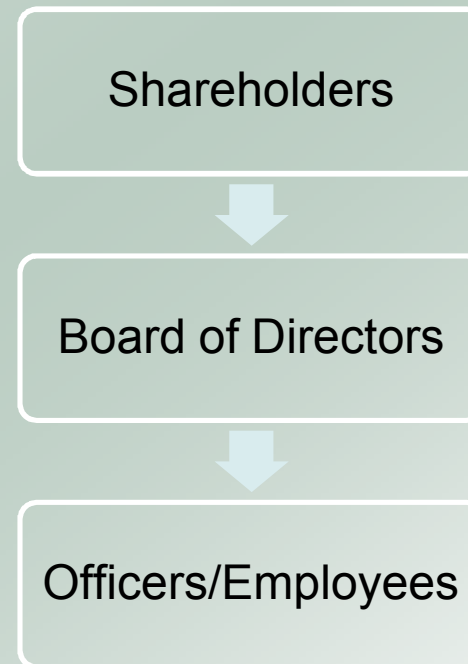


Corporation

Ownership



Decision Making



Hybrids

- **Prime/Subcontractor Model**
- **Software Bill of Rights Model**



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One Model for a Startup Corporation

- **Concept:**
 - **Corporation**
 - **Group of Founders issued “free” shares**
 - **From beginning the corporation has the right to repurchase shares from founders**
 - **Founders “earn” the right to keep shares through the satisfaction of objectives and/or passage of time.**



One Model for a Startup Corporation

At a minimum you will need:

Articles of Incorporation, By-laws Etc.

Founder Agreement

Shareholder Agreement

Employment / Contractor Agreements

Intellectual Property Agreements



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One Model for a Startup Corporation

What does that cost?

Articles of Incorporation, By-laws Etc. •Budget \$750 - \$1,000

Founder Agreement •Budget \$300

Shareholder Agreement •Budget \$600

Employment / Contractor Agreements •Budget \$250

Intellectual Property Agreements •Budget \$250

More Customization = More Cost



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THANKS

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