

Small Business Legal Checklist



*This is a free tool to help small business owners avoid the most common legal “landmines”.
For each question below, circle: “Y” for “Yes”, “N” for “No”, or “U” for “Unsure”.
Note: It is better to circle “unsure” than to guess wrong.*

Your Name: **Company Name:**

General Liability Protection:

- Y / N / U Are all business operations conducted as a corporation or LLC?
- Y / N / U If so, are all business entity requirements being complied with?
(i.e., annual shareholder and director minutes, Statements of Information, corporate finances kept completely separate from the shareholder(s), etc.)
- Y / N / U Is your current Commercial General Liability insurance coverage sufficient?
(activities covered, exclusions, limits, deductibles, etc.)
- Y / N / U When signing contracts for your business, does the entity name appear before the signature line and does the word “**By:**” always appear on the signature line?

Licenses and Regulations

- Y / N / U Does your business require any specific licenses or registrations apart from a general business license?
- Y / N / U If so, are all licenses current?

Contracts / Invoices / Agreements:

- Y / N / U Have all of your contracts / invoices / agreements been reviewed by an attorney?
- Y / N / U Do they contain attorney fee provisions to allow you to recover fees?
- Y / N / U Do they specify the venue and/or forum for disputes as local to your business?
- Y / N / U Do they contain ADR (mediation / arbitration) provisions?

Employment Law Compliance

- Y / N / U Does your business have a written Employment Policy Handbook?
- Y / N / U If so, was it drafted by a California attorney who customized it for your business?
- Y / N / U Do you have any regular workers designated as “Independent Contractors”?
- Y / N / U Are all employees who are paid on “salary” clearly within the definition of an “exempt” employee (*1) Supervisory, 2) Administrative, or 3) Licensed professional*)?
- Y / N / U Are all non-exempt employees who work over 5 hours per day provided a minimum 30-minute meal period in which they are:
a) relieved of all duties and b) free to leave the premises?
- Y / N / U If so, are all such meal periods documented on time cards?
- Y / N / U Do you provide vacation days or paid time off (PTO) to employees?
- Y / N / U If so, is PTO awarded lump sum (*i.e., 1 week per year*)?
- Y / N / U If so, is PTO forfeited if not taken (*aka “use it or lose it”*)?
- Y / N / U If so, is all accrued PTO paid in full upon termination for any reason?
- Y / N / U Are all required employment laws and regulations posted in a conspicuous place?

Trademarks / Trade Secrets:

- Y / N / U Are all of your important logos, advertising slogans, and business name trademarked with the United States Patent and Trademark Office?
- Y / N / U Do you have a written trade secrets policy with your employees and vendors?

Commercial Leases:

- Y / N / U Was the commercial lease for your business premises reviewed by your attorney?
- Y / N / U If you gave any personal guarantees, were they limited in scope and duration?

Partnership Agreement and Succession Planning:

- Y / N / U Do you have multiple owners in the business (other than husband-wife)?
- Y / N / U If so, is there a written partnership agreement in place, drafted by an attorney?
- Y / N / U Is there a written buy-sell agreement between the partners?
- Y / N / U If so, does it also cover one partner's long term disability?
- Y / N / U Do all partners have sufficient cash to buy out the other(s), or is there key person life insurance in place to fund the buyout?
- Y / N / U Do all business partners have an attorney-drafted Estate Plan?

Assembling the Right Team:

- Y / N / U Does your business have an “inside-outside general counsel”?
(an attorney who knows your business and is a phone call away for quick legal help)
- Y / N / U Is your tax preparer a true “advisor”, meaning one that engages in tax planning to help you make the right decisions today to save your business taxes tomorrow?
- Y / N / U Has your insurance broker competitively shopped the marketplace to get you lower rates and/or better coverage in all areas of insurance?
- Y / N / U Does your business banker really understand small business?
(not just a personal banker who also handles business accounts)

Please call us for a free, no-obligation review of your checklist.

Your checklist and consultation are completely confidential.

*Completion and submission of your checklist does not, in and of itself, create an attorney-client relationship.
In accordance with State Bar rules, a written attorney client agreement is required to commence representation.*