

BUSINESS FORMATION QUESTIONNAIRE

Today's date: _____

Please answer the questions to the best of your ability according to your current business plan. If you have questions as to specific information asked, please email your attorney.

CLIENT INFORMATION

NAME: _____

ADDRESS: _____

Phone: Home () _____ Work () _____ Cell () _____

Email Address: _____

GENERAL INFORMATION ABOUT THE COMPANY

NAME OF THE COMPANY: _____

PRINCIPAL OFFICE ADDRESS: _____

Phone: () _____

State of Organization: _____

BUSINESS PURPOSE: _____

MEMBERS OF THE COMPANY

Member 1:

NAME: _____

ADDRESS: _____

Phone: () _____

Email Address: _____

U.S. Person? Yes No

Initial ownership percentage: _____

Initial Contribution: Cash _____ Property _____
 Other _____

Member 2:

NAME: _____

ADDRESS: _____

Phone: () _____

Email Address: _____

U.S. Person? Yes No

Initial ownership percentage: _____

Initial Contribution: Cash _____ Property _____
 Other _____

Member 3:

NAME: _____

ADDRESS: _____

Phone: () _____

Email Address: _____

U.S. Person? Yes No

Initial ownership percentage: _____

Initial Contribution: Cash _____ Property _____
 Other _____

In case of more than 3 members, use an additional sheet to provide their information. Information is required for each of the members.

RELATIONSHIP AMONG THE MEMBERS AND MANAGEMENT

1. Are the members required to devote full time and effort to the company? Yes No

If no, can they be involved with a competing business? Yes No

Do the parties want a non-compete provision? Yes No

2. Who will act as a tax matters member, if not all members? _____

3. Who will be able to sign checks from the business account? _____

4. Will the company be Member or Manager managed? (Default – all members are managers.)

Member Manager

5. Who are the initial Managers?

6. Vote required to remove a manager? Unanimous Majority 2/3 Other (*please explain*)

7. Vote required to fill manager vacancy? Unanimous remaining managers Majority Members

2/3 Other (*please explain*)

8. Vote required to elect a new manager? Unanimous Majority 2/3 Other (*please explain*)

9. Which one of the following decisions will require approval of majority of the members (i.e. manager cannot act alone):

merger or consolidation of the company;

a material change in the nature of the company's business;

any requirement obligating the Members to make additional capital contributions;

the dissolution or liquidation of the company;

the creation by the company any debt or contract obligation;

the creation by the company any debt or contract obligation that requires company to pay more than

\$ _____ in any fiscal year;

the relocation of the company's principal place of business; the opening of any new company office; the entrance into a new business by the company; or the cessation of the company's business;

the compromise of any amount owed to the company of more than \$ _____;

the increase, modification, consolidation, or extension of any loan of more than \$ _____,

whether secured or unsecured, affecting the company;

- the confession of a judgment against the company or submission of any claim of the company to arbitration;
- the distribution of any cash or property of the company to any Member;
- the assignment of the rights of the company or any of its properties;
- the assignment for the benefit of the creditors or the filing a voluntary petition in bankruptcy or any other petition seeking any reorganization, composition, liquidation, dissolution or similar relief under the law relative to bankruptcy, insolvency or other relief for debtors; or settlement or consent to any order, decree or judgment relevant to above;
- to sell or otherwise dispose of the assets of the company; or
- to enter into any contract or contractual arrangement with any Member or an affiliate of any Member.

ALLOCATIONS AND DISTRIBUTIONS

1. How will the net profits and losses be allocated (in accordance with percentage interests, etc.)?
(Please describe.)

2. How will the distributions be made (in accordance with percentage interests, etc.)?
(Please describe.)

3. Who determines when distributions are made? _____

4. Will a distribution be made to pay taxes? Yes No

5. Will allocations and distributions in connection with liquidation be the same as above?

Yes No

TRANSFERS

1. Who determines if a transfer of membership interests can be made? _____

2. Do you want a right of first refusal (i.e. member desiring to transfer interests must offer his interests to company first and then the other members before transferring them to a third party)? Yes No
3. Upon the death of a member, do you want a mandatory buy-out of the member's interest or an optional purchase? _____
4. Upon the disability of a member, do you want a mandatory buy-out of the member's interest or an optional purchase? _____
5. Who should determine the value of such interest to be purchased upon death, disability, or termination of services (manager, members, appraiser, formula, etc.)? _____

MEETINGS

1. Who can call the meetings? _____
2. What constitutes quorum at the meeting? (Majority, 2/3, 70%, etc.) _____
3. Vote required for the act of members at a meeting? _____

DISSOLUTION

1. Vote required to dissolve the company? _____
2. Any other events that will cause the dissolution (specific date, happening, etc.)? _____

MISCELLANEOUS

- Do you want a binding arbitration clause? _____
 - Vote required to amend the Operating Agreement? _____
 - Will there be confidential information about the business, which needs to be protected? _____
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- Accounting Method: Cash Accrual

ADDITIONAL QUESTIONS

Other facts you would like us to know _____

HOW DID YOU HEAR ABOUT OUR LAW OFFICE?

- Referred by: _____
- Insurance Plan: _____
- Bar Association: _____
- Newspaper, magazine: _____
- Internet; Web Site (if you recall): _____
- Other: _____