

Scoring

Serviceable = 2; Wanting/Needs Revisions = 1; Absent = 0

Company Structure

Key decision re: entity choice	<input type="checkbox"/>	<input type="checkbox"/>
Key decision re: tax structure	<input type="checkbox"/>	<input type="checkbox"/>
Key decision re: management and owner structure	<input type="checkbox"/>	<input type="checkbox"/>
Pre-Investor Owner Agreement	<input type="checkbox"/>	<input type="checkbox"/>
Buy-sell Agreement	<input type="checkbox"/>	<input type="checkbox"/>
Obtaining EIN	<input type="checkbox"/>	<input type="checkbox"/>
Organizational action, written consents and board resolutions	<input type="checkbox"/>	<input type="checkbox"/>
Elimination of Ghost Founders	<input type="checkbox"/>	<input type="checkbox"/>
Company housekeeping to prevent veil piercing by third parties	<input type="checkbox"/>	<input type="checkbox"/>

Protecting Intellectual Property

Trademark registration	<input type="checkbox"/>	<input type="checkbox"/>
Copyright protection	<input type="checkbox"/>	<input type="checkbox"/>
Patent protection of inventions	<input type="checkbox"/>	<input type="checkbox"/>
Third-party IP licenses for use of IP	<input type="checkbox"/>	<input type="checkbox"/>
Non-compete and non-solicitation covenants with key employees and contractors	<input type="checkbox"/>	<input type="checkbox"/>
Work-for-hire provisions with key employees and contractors	<input type="checkbox"/>	<input type="checkbox"/>
Joint Development Agreement	<input type="checkbox"/>	<input type="checkbox"/>

Commercial Transactions

Customer Agreement	<input type="checkbox"/>	<input type="checkbox"/>
Supplier Agreement	<input type="checkbox"/>	<input type="checkbox"/>
Professional services agreement	<input type="checkbox"/>	<input type="checkbox"/>
Board Adviser Agreement	<input type="checkbox"/>	<input type="checkbox"/>
Agreements with other key relationships	<input type="checkbox"/>	<input type="checkbox"/>
Website terms of use and privacy notice	<input type="checkbox"/>	<input type="checkbox"/>

Labor & Employment

Employee agreements	<input type="checkbox"/>	<input type="checkbox"/>
Executive offer letter	<input type="checkbox"/>	<input type="checkbox"/>
Commission Salesperson Agreement	<input type="checkbox"/>	<input type="checkbox"/>
Use of interns, trainees and volunteers under FLSA	<input type="checkbox"/>	<input type="checkbox"/>
Form I-9 employment eligibility verification requirements	<input type="checkbox"/>	<input type="checkbox"/>
Conducting Background checks	<input type="checkbox"/>	<input type="checkbox"/>
Employee handbook	<input type="checkbox"/>	<input type="checkbox"/>
New hire reporting obligations	<input type="checkbox"/>	<input type="checkbox"/>
Mitigating discrimination claims with new hire process	<input type="checkbox"/>	<input type="checkbox"/>
Preventing discrimination and unfair competition through departing employee process	<input type="checkbox"/>	<input type="checkbox"/>
Employee grievance process	<input type="checkbox"/>	<input type="checkbox"/>
Employee incentive plans	<input type="checkbox"/>	<input type="checkbox"/>
Mitigating risks of FLSA and worker misclassification	<input type="checkbox"/>	<input type="checkbox"/>
Minimum wage and overtime compliance	<input type="checkbox"/>	<input type="checkbox"/>
Workplace postings and notices	<input type="checkbox"/>	<input type="checkbox"/>

Real estate and leases

Office lease letter of intent	<input type="checkbox"/>	<input type="checkbox"/>
Office lease	<input type="checkbox"/>	<input type="checkbox"/>
Industrial / Warehousing lease	<input type="checkbox"/>	<input type="checkbox"/>
Mitigating personal guaranty	<input type="checkbox"/>	<input type="checkbox"/>
Commercial lease summary	<input type="checkbox"/>	<input type="checkbox"/>

Miscellaneous

Insurance review re: key man, D&O, and general liability	<input type="checkbox"/>	<input type="checkbox"/>
Dispute management process	<input type="checkbox"/>	<input type="checkbox"/>
Founder compliance with former employer restrictive covenants	<input type="checkbox"/>	<input type="checkbox"/>

Capital Raising and Financing

Adviser Agreement re: private party financing	<input type="checkbox"/>	<input type="checkbox"/>
Key decision re: transaction structure (equity, debt or both)	<input type="checkbox"/>	<input type="checkbox"/>
Key decision re: registration exemption relied on	<input type="checkbox"/>	<input type="checkbox"/>
Key decision re: transaction timing	<input type="checkbox"/>	<input type="checkbox"/>
Pitch Deck	<input type="checkbox"/>	<input type="checkbox"/>
Non-disclosure Agreement	<input type="checkbox"/>	<input type="checkbox"/>

Financing Options

Equity only financing	<input type="checkbox"/>	<input type="checkbox"/>
Debt only financing	<input type="checkbox"/>	<input type="checkbox"/>
Convertible Notes / Bonds	<input type="checkbox"/>	<input type="checkbox"/>
SAFE investments	<input type="checkbox"/>	<input type="checkbox"/>
Convertible preferred equity	<input type="checkbox"/>	<input type="checkbox"/>

Conducting an Unregistered Offering

Offering / Disclosure Document (if sophisticated investors)	<input type="checkbox"/>	<input type="checkbox"/>
Form D Filing	<input type="checkbox"/>	<input type="checkbox"/>
Commitment Letter re: Investment	<input type="checkbox"/>	<input type="checkbox"/>
Term Sheet re: Investment	<input type="checkbox"/>	<input type="checkbox"/>
Investor Questionnaire	<input type="checkbox"/>	<input type="checkbox"/>
Purchaser Rep. Questionnaire (if sophisticated investors)	<input type="checkbox"/>	<input type="checkbox"/>
Purchaser / Subscription Agreement	<input type="checkbox"/>	<input type="checkbox"/>
Post-investor Owner Agreement	<input type="checkbox"/>	<input type="checkbox"/>
Written consents; board resolutions	<input type="checkbox"/>	<input type="checkbox"/>

As shown in this scorecard, there are many legal issues involved with starting and running a business. Failing to address these issues can result in substantial liability for the company and its founders, halting the business in its tracks before it gets out of the starting gate.