



**BASIC BUSINESS ENTITY
START-UP AND FLAT FEE PACKAGES
FOR CLIENTS OF
STUART ADAMS LAW OFFICE, P.S.C.**

Listed below are several basic packages of legal services related to the initial organization of a small business entity in Kentucky or Indiana. Many of the decisions which precede a business start-up require sophisticated analysis of a wide variety of nonlegal issues. The entrepreneur may also need securities, patent, complex tax and other specialized legal advice which will not be part of these packages, but which can be obtained for hire for our client and coordinated by this Firm. All of the packages below envision the need for additional periodic assistance, as requested by the client. In such instances, the Firm will charge its normal hourly rate on such additional matters (as more particularly specified in an engagement letter or Attorney/Client Agreement) not included in the basic packages below, but requested by the client.

***Corporate filing fees are currently \$59.00 in Kentucky and \$90.00 in Indiana.**

***Limited Liability Company filing fees are currently \$49.00 in Kentucky and \$90.00 in Indiana.**

**** All packages will include an additional administrative charge of \$10.00 for preparation and mailing of corporate or limited liability record book.**

THE FEE QUOTES ARE STANDARD FEES FOR STANDARD SERVICES, AS DESCRIBED. ADDITIONAL FEES MAY BE CHARGED FOR ADDITIONAL OR NON-TYPICAL START-UP SERVICES. ALL CLIENTS WILL BE REQUIRED TO EXECUTE AN ATTORNEY/CLIENT AGREEMENT AND PAY A RETAINER PRIOR TO PROVISION OF SERVICES. THE AGREEMENT WILL SPECIFY THE INITIAL SERVICES TO BE PROVIDED AND FEES CHARGED. WE LOOK FORWARD TO BEING OF SERVICE TO YOU.

CORPORATE PACKAGE A: \$250.00 PLUS FILING FEES***

- Draft Articles of Incorporation
- File Articles with Kentucky Secretary of State and local County Clerk or Indiana Secretary of State
- Prepare Application for Federal Employer Identification Number (EIN) and file with IRS by mail
- Prepare Application for Federal "S" Corporation status (Form 2553) and file with IRS by mail (if requested by client)
- Prepare draft of standard corporate By-Laws
- Prepare draft of standard Minutes of the Initial Meeting of the Shareholders
- Prepare draft of standard Minutes of the Initial Meeting of the Board of Directors
- Prepare corporate record book including the above-referenced materials and a short handbook on the operation of a corporation
- *Does not include business planning or tax advice*
- *Does not include trademark, service mark or name search other than with the Kentucky Secretary of State*
- *Does not include preparation or filing of Certificate of Assumed Name for fictitious name that may be used by corporation in addition to corporate name*
- *Does not include preparation of subscription agreements or stock restriction (aka buy-sell) agreements*

LIMITED LIABILITY COMPANY PACKAGE A: \$250.00 PLUS FILING FEES***

- Draft Articles of Organization
- File Articles with Kentucky Secretary of State and local County Clerk or Indiana Secretary of State
- Prepare Application for Federal Employer Identification Number (EIN) and file with IRS by mail
- Prepare Applications for Federal "S" Corporation status (Form 2553 and 8832) and file with IRS by mail (if requested by client)
- Prepare draft of standard Operating Agreement
- Prepare company record book including the above-referenced materials and a short handbook on the operation of a limited liability company
- *Does not include business planning or tax advice*
- *Does not include trademark, service mark or name search other than with the Kentucky or Indiana Secretary of State*
- *Does not include preparation or filing of Certificate of Assumed Name for fictitious name that may be used by company in addition to registered company name*
- *Does not include preparation of subscription agreements or tailoring of Operating Agreement*

PACKAGE B: \$500.00 PLUS FILING FEES***

This Package B includes all the services described for package A (either corporation or limited liability company start-up).

Additionally, we will:

- Prepare draft of standard investor/shareholder subscription agreement
- Prepare draft of standard stock or membership unit restriction agreement (a/k/a buy-sell)
- *Does not include business planning or tax advice*
- *Does not include trademark, service mark or name search other than with the Kentucky Secretary of State*
- *Does not include preparation or filing of Certificate of Assumed Name for fictitious name that may be used by corporation in addition to corporate name*

NOT-FOR-PROFIT PACKAGE C: \$1,000.00 PLUS FILING FEES †**

- Draft Articles of Incorporation; and
- File Articles with Secretary of State and County Clerk; and
- Obtain Federal Employer I D Number (by Mail); and
- Draft Standard By-laws; and
- Draft Standard Minutes of First Members' Meeting; and
- Provide up to three hours assistance in drafting Section 501(c) application with IRS to attempt to obtain tax exempt status

† (The filing fees for a not-for-profit corporation are slightly different from those of a for profit corporation. If the corporation will apply for tax exempt status (ex. under section 501(c)3) the application to the IRS must be accompanied by an additionally fee not described here.)

PARTNERSHIP AGREEMENTS: \$250.00 PLUS FILING FEES

- Draft Standard Partnership Agreement
- Apply for fictitious name (d/b/a) certificate
- File application for federal tax identification number for entity

OTHER SERVICES:

File Reservation of Corporate Name & d/b/a if needed. Arrange for basic pre-incorporation consulting. Drafting or review of business plan.

ADDITIONAL FLAT RATE SERVICES:

The following services or a rough draft of the following agreements, in fairly standard and basic form but incorporating your data, can be provided for the flat rates stated below:

- Prepare a basic **Founder's Agreement** to be used by the entrepreneur to preserve certain rights and options when building a company initially, or when financing. For example, this agreement might reserve an option to buy out investors "down the road" at a fixed or formula price, retain certain long term employment or consulting rights, provide for an overriding super majority or other control mechanism, etc.
\$250.00
- We can act as your company's Kentucky **process agent** when you organize.
\$50.00 initial charge and \$50.00 for each additional year or part thereof.
- Prepare **Certificate of Assumed Name** for fictitious name that may be used by entity in addition to legal name
\$75.00 plus filing fees (currently \$29.00)
- Prepare draft of standard **Employment Agreement**
\$150.00
- Prepare draft of standard **Independent Contractor Agreement**
\$150.00
- Prepare draft of standard **Non-competition/Non-Interference Agreement**
\$150.00
- Prepare draft of standard **Non-disclosure/Confidentiality Agreement**
\$150.00
- Prepare draft of standard **Consulting Agreement**
\$150.00
- Prepare draft of standard **Web Development Agreement**
\$250.00
- Prepare draft of standard **Stock Restriction Agreement (a/k/a Buy-Sell)**
\$250.00
- Prepare draft of standard **Distributorship Agreement**
\$250.00

Additionally, please ask us for a list of our trademark/service mark services and pricing.

ALTERNATIVE FEE ARRANGEMENTS - EQUITY EXCHANGE:

We started in 2000 to make available to select businesses (typically high-tech or Web-based) an alternate fee arrangement. If this might be of interest to you, please inquire about the details. In essence, it allows us to provide some extended services to these clients in exchange for acquiring equity units in the company. The package of services typically would provide that we receive at least 1% of stock or total initial equity units in exchange for providing the following (or comparable, depending on choice of business entity) services:

- 1. Basic buy-sell agreement with prescriptive rights;
- 2. Update annual minutes & file annual report (client must pay fee and provide form timely);
- 3. Hourly rate remains at reduced rate for 1 year from execution of contract. Conditions precedent to this arrangement are that client must sign off on ethics form related to attorneys doing business with clients and equity units would have voting rights.

ESTATE PLANNING SERVICES FOR ENTREPRENEURS: \$250.00

Entrepreneurs have their own set of estate planning issues. If the owner of a small business dies or becomes incapacitated, the business, which may be the primary asset of the entrepreneur, may suffer severely. Making rent, payroll and other payments from a hospital bed may, at the very least, be inconvenient. In the event of death or major disability, the business may be forced into bankruptcy, instead of continuing under a succession plan, or simply winding up in a fashion other than by a forced sale.

To this end, we offer a flat rate for a basic entrepreneur's estate plan, as set forth below. Additionally, we provide more extensive estate planning services for the entrepreneur, such as those related to blended families, life insurance and other trusts, living trusts and other more complex estate planning tools.

The basic package provided for the flat fee stated below includes:

- Initial business and estate planning interview with client (you may want to bring your CPA or financial advisor, including but not necessarily limited to your spouse.)
- We will prepare and facilitate execution of a basic property disposition will.
- We will prepare and facilitate execution of a basic Living Will
- We will prepare and facilitate execution of a basic Durable Power of Attorney
- We will provide you with a draft of an appropriate company document to give your spouse or other designee business powers in the event of your death or disability.

YOUR DUTIES

Please also keep in mind that for the packages of services we are performing specific and limited services for your company. If for instance, we perform those specific services listed in "Package A," we probably are not registering your business with the state revenue agency or any of several local tax authorities with whom you should immediately register and to whom you will probably have to pay a license fee or owe a tax return. We are probably also not making a registration for unemployment insurance or workers compensation, unless you have specifically entered into an agreement in writing with us to do so.

There may be many filings, including licenses and permits which a new business must apply for in order to be in compliance with various law. We specifically are not doing this for you unless we have contracted in writing to do this for you or with you. Frankly, having us do many of these things is not very cost effective for you and this is a good opportunity to have you contact a good small business CPA to help you get your corporate books set up, develop a tickler of government reportings, such as withholding deposits, and other typical or unique nonlegal registrations, postings, filings, and reportings. We are typically taking you to the point of having a legal entity which can open its own bank account.

Unless contracted in writing in addition to services in Package A," for instance if you were to open a bar and restaurant, we would not be assisting you in applying for a liquor license or obtaining Board of Health approval. These are your responsibilities by default, under our basic services package. We certainly will be happy to help you on any or all of these if you desire, or to try to recommend others who can assist you on such matters. Most people cannot effectively run a business by themselves. This is your opportunity to start building your typical "team" of attorney, CPA, insurance agent, financial advisor and others with professional and practical experience with a business, such as yours. We work with other professionals and firms in most of these areas and will be happy to make a referral to a local accountant, insurance company or bank.

In addition, please feel free to contact me by phone (502.587.7750) fax (502.585.7177) or e-mail (biz-law@juristechology.com) if questions arise regarding day-to-day legal issues related to the operation of your business. Often a few words of counsel can prevent a major costly legal problem later. Please visit our web site at <http://www.juristechology.com> for articles we have written on business legal issues and solutions and for helpful links for government agencies, entrepreneurial resources and other favorite sites which might also be of help to you. We appreciate the opportunity to be of service to you and look forward to working with you in the future.