

Reiss On Advisory Panel

Peter Reiss has become a member of the American Bar Association Advisory Panel, a group of lawyers that informs the ABA's priorities and decisions by providing opinions about the direction of the ABA and issues facing the legal profession.

Starting a Company? Read This!

It is obviously important to determine the legal structure your business should use. But neglecting these additional important issues can lead to major problems later:

1. **Trademark.** If you have a “catchy” business name or domain name or slogan (all of which can be considered intellectual property), trademark it. Reserving a domain name or using a slogan on your materials or filing a “dba” (registering an assumed name with your state) does not protect your domain name, slogan or assumed name from being appropriated and used by others. A trademark is the only sure way of protecting this asset.
2. **Arrangements with Co-founders.** While the founders of a new enterprise are happy and hopeful, they should execute a shareholders’ agreement or operating agreement or other document to, among other things, prevent a disgruntled owner from selling his ownership interest to a third party unacceptable to the remaining founders; provide a means for “cashing out” an owner who dies or retires; and protect the founders who remain.
3. **Employee Policies.** The average cost of defending a sexual harassment lawsuit is \$275,000.00. Adopt and publicize a good sexual harassment policy and other policies particular to your business that allow you to discipline or fire “bad apples” and minimize or eliminate the legal and financial repercussions that might result from inappropriate or illegal behavior by employees.
4. **Contract Issues.** Read carefully (or have your lawyer do it) all of your contracts to be sure your liability is limited to the amount of the contract (many subcontractors unknowingly assume legal liability for problems completely unrelated to the scope of their work), and, to the extent possible, eliminate “consequential” damages.

Penalty-Free Premature IRA Withdrawals.

Many people are in dire financial straits these days. Often, their IRAs are their largest unencumbered assets. Most are under the impression that if you withdraw money from your IRA before you are 59½, you will have to pay a 10% penalty. While this is the general rule, there are exceptions, including one that allows you to take a series of substantially equal annual distributions without penalty. See Internal Revenue Code Section 72_____.

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