

Your Great Aunt Matilda ("Tillie") Pennyroyal has passed away. Aunt Tillie had a fabulous career as an actress and vaudeville performer, and then married business mogul Quentin C. Pennyroyal, who made his money owning a chain of pizza shops called "Any Way You Slice It." Quentin died several years ago, and Aunt Tillie spent the last few years getting to know her extended family. You were always Aunt Tillie's favorite, and she has left the following bequest in her will:

I hereby bequeath the sum of \$500,000 to my favorite relative. However, I don't want the money to be used foolishly, so I have some conditions. It's true that I had a fabulous life — and I certainly lucked out finding financial security with Quentin. Until I met him, I spent most of my years depending on the kindness of strangers — and what a Blanche I was! Don't follow my example — be smart about your money.

With that in mind, you will only inherit the money if you use it to start a business. Since I love the food and beverage industry, I ask that you start a business in industry, but I don't care what type you start — follow your passion — but be sure to think about all of the things that might go wrong and have a plan.

I've arranged for you to meet my attorney. Now, as a rule, I don't like attorneys, and I think their hourly rate is too high. So in order to make your meeting productive you will have to prepare a summary memorandum to him answering the below questions — because otherwise he will charge too much. I wish you nothing but success — and be sure to think of me every year on my birthday!

Aunt Tillie

The following questions will give you some ideas but are not exclusive. You have a number of areas of law that you should look at. :

1. What is the business you intend to start?
2. Will you have partners? If so, how will you handle making decisions and sharing profits?
3. Are there any **business risks** in your plan? How will you guard against them?
4. Will you be looking for outside investors? What will your **capital plan** be?
5. Are there any **intellectual property** (patent, trademark, copyright, trade secret) issues you can think of? Describe them.
6. What **form of business** (Sole Proprietorship, Partnership, Corporation, LLC) should you choose? Why do you feel that is the right option?
7. Tort issues, contract issues.
8. Hiring an attorney and an accountant.
9. Lawsuit issues and jurisdiction.
10. Liability
11. Taxes.
12. City and town ordinances (zoning, licensing) and state laws.
13. Purchasing building and personal property. Liens, etc.