

Business Law Newsletter – Winter 2018

“Succession Planning for your Business”

Let’s begin at the end: what would happen to your business if you were to pass away? Whether your business is a sole proprietorship, a partnership, a single-member LLC, or a multi-member LLC/multi-shareholder corporation, planning and preparing for the transition of your business is critical to help your family, your employees, and/or your co-owners either to continue the business or wrap up the affairs of the business upon your death.

There is no “one size fits” all approach to transition planning due to the wide array of factors to consider, including business size, industry, individual goals, and family dynamics, to name a few. If you are a sole-owner (sole proprietor, single-member LLC or single-shareholder corporation/s-corporation), your family or designated agent will not have

authority to act on behalf of the business (access accounts, sell assets) unless you have done some preparation. Additionally, if yours is a family business where family members (commonly children) work with you, is there one or two children who may be more capable of running the business? Can the children get along if they are forced to run the business together? More importantly, do any of the children *want* to take over the business?

If you are part of a multi-owner business, you and your co-owners need to determine what will happen in the event of an owner’s death. For example, if your co-owner dies, do you want to be in business with her spouse or family? If your answer is no, then you should run, and not walk, to get some succession planning in place. The same cautions apply to a transition upon (cont.)

Our Firm

At Fremstad Law, our mission is to Move Our Clients Forward. To do this, we’re transforming the client experience. This unique approach is based on our core values of relationships, wisdom, and trust, and helps us to ensure your needs are being met.

Fremstad Law began out of a frustration with traditional legal practice and, believe it or not, often unreasonable or unrealistic client expectations. Much of law practice is reactionary. When law practice is reactionary it almost always becomes very expensive and all-consuming for the client. Our goal is to work with clients on being proactive to minimize the need to be reactionary.

In addition to business law, our firm provides a variety of legal services including real estate, estate planning, criminal defense, general civil litigation and family law.

retirement. Waiting until the day before you retire will inevitably end badly. The moral of the story is make succession planning a priority, not an afterthought. And for those among you who are superstitious, take heed – talking about death will not in fact cause death.

Do I Need a Lawyer?

Many businesses have their own In-House General Counsel. This is a great option for those businesses that have the volume of work and can handle the substantial financial obligation. For most businesses, even many larger businesses, this is simply neither necessary nor practical.

At Fremstad Law we seek to offer those same In-House General Counsel options through our Outside General Counsel services, or as we like to say, OGC.

As your OGC, we not only take the time to learn about your business, we seek to gain a meaningful understanding of it.

We're then prepared to respond to questions in a timely and knowledgeable way, whether it be to help you form a new business, review a contract or lease, prepare an employment agreement, pursue collections of accounts receivable, counsel you regarding employee disputes, or helping you think about succession planning.

We encourage you to call or email, no matter how small your matter or question, just as though you had your own in-house counsel right down the hall from your office.

As part of our OGC services, we can also ensure that if family or criminal law issues arise, we can point you to attorneys in our firm, as opposed to having to look for a new firm or attorney you don't have a relationship with.

If your question were to relate to something that is outside of our expertise, (sorry, we don't do patents or immigration) we'll help you find a specialist and ensure you get the help you need.

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