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LEGAL ESSENTIALS FOR STARTING YOUR BUSINESS

An outline of the essential legal steps and documents entrepreneurs need to establish and protect their business, from forming an entity and structuring ownership to safeguarding intellectual property, compensating with equity, and ensuring legal compliance as the company grows.

A Guide for Entrepreneurs

Starting a business is exciting—but it's also a critical time to lay a solid legal foundation that protects your company, your team, and your future. At Doida Crow Legal, we've guided hundreds of founders through the business formation process and beyond. This guide outlines the core legal documents and issues every entrepreneur should consider early on.

- **Forming a Legal Entity**
- **Structuring Ownership & Equity**
- **Protecting Intellectual Property & Competitive Edge**
- **Equity Compensation**
- **Essential Business Agreements**
- **Online Operations & Legal Compliance**
- **Board, Member, and Shareholder Consents**



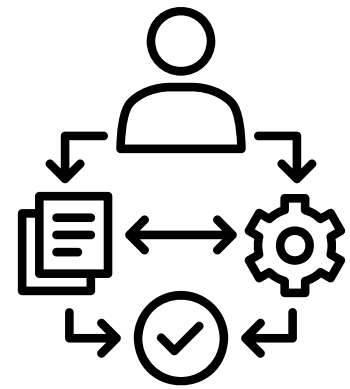
1 Forming a Legal Entity

LLCs & Corporations

When launching your venture, you'll typically form either a Limited Liability Company (LLC) or a Corporation. Each type requires filings with the Secretary of State, including:

- Articles of Organization (LLC) or Articles of Incorporation (Corporation)
- Registered Agent Appointment
- Statement of Information (where required)

These filings create your business as a separate legal entity, providing liability protection and opening the door for investment, equity grants, and structured governance.



2 Structuring Ownership & Equity

Issuing Ownership Interests

Upon formation, you'll allocate membership interests (LLCs) or shares (Corporations) to founders and early stakeholders. These interests may be subject to vesting schedules, ensuring continued commitment to the company.

83(b) Elections

If ownership is subject to vesting, founders must consider filing an 83(b) election with the IRS within 30 days of the grant. This can result in substantial tax savings and avoid unexpected income tax consequences later.

Transfer Restrictions

To protect the company and avoid unwanted ownership transfers, we implement transfer restrictions in operating agreements, shareholder agreements, and bylaws.

3 Protecting Intellectual Property & Competitive Edge

Proprietary Information and Invention Assignment Agreements (PIIAAs)

All founders, employees, and contractors should assign rights to any IP they create. This ensures the company owns the technology, branding, and ideas that drive its value.

Restrictive Covenant Agreements

Where enforceable, these agreements may include:

- Non-Solicitation: Prevents poaching of employees or customers after departure.
- Non-Compete Clauses: Restrict competition for a limited time and geography.

We help ensure these covenants are appropriately tailored to your jurisdiction and risk profile.

4 Equity Compensation

Equity Incentive Plans

Startups often attract and retain talent through equity compensation. We help implement Equity Incentive Plans that support:

- NSOs (Non-Qualified Stock Options)
- ISOs (Incentive Stock Options)
- Restricted Stock



We also advise on board and shareholder consents, tax implications, and compliance with securities laws.

5

Essential Business Agreements

Independent Contractor Agreements

Ensure clear definitions of scope, compensation, deliverables, and IP ownership for freelancers and vendors.

Offer Letters & Employment Agreements

Proper documentation sets expectations and protects the company from future disputes. Key elements include role, compensation, confidentiality, termination clauses, and at-will status (where applicable).

6

Online Operations & Legal Compliance

Terms of Service & Privacy Policy

If your business operates online, these documents are crucial:

- Terms of Service: Defines rules for using your product or service.
- Privacy Policy: Required by law in many jurisdictions to disclose data collection and usage practices.



7

Board, Member, and Shareholder Consents

Formal Approval

Many corporate/LLC actions require formal approval by the board of directors, managers, or members. We help draft and maintain:

- Board Resolutions
- Written Consents
- Annual Meeting Minutes

Let's Build It Right From Day One

Our goal is to be your strategic legal partner—not just for formation, but as your business grows, raises capital, and enters new markets. Contact us to schedule a consultation and set your startup up for success.

Contact Doida Crow Legal

We're the team that Colorado owners and entrepreneurs trust when it comes to guiding your business in the right direction. Let us do the same for you. Our collaborative, thoughtful lawyers provide cost-effective, practical solutions across a wide range of industries. [Click here to meet our team.](#)

Doida Crow Legal can provide tailored guidance, ensuring that your chosen financing strategy aligns with your business goals and values. For personalized assistance in navigating the complexities of business financing [contact us today](#) to schedule a consultation. Call us at 720-306-1001 or email info@doidacrow.com.

