



ON - TRAK REVIEW for

1 Is the business organized to protect the owners against potential liability?

- 1.1 Is the business entity one which will maximize protection of the owners from liability, such as a Corporation, Limited Liability Company, or Limited Partnership? YES NO
- 1.2 Was the company's incorporation completed, stock issued, and so forth? YES NO
- 1.3 Are there written agreements among the owners covering possible problem areas, such as: buy-out plans, succession, sale of interest, and so forth? YES NO
- 1.4 Since the business was formed, has the business made the necessary governmental filings, such as Statements of Information for corporations and LLCs or "Doing Business As" Statements? YES NO
- 1.5 Since the business was formed, has it kept proper organization records (annual meetings, board meetings, resolutions, and so forth)? YES NO

2 Is the business properly licensed?

- 2.1 Are all licenses that apply to your business current? YES NO
- 2.2 Is your city Business License current? YES NO
- 2.3 Is your Contractors License current? YES NO
- 2.4 Others? YES NO

3 Is the business protected against unwarranted customer claims?

- 3.1 Does the business use a written contract with its customers establishing their respective duties? YES NO
- 3.2 Does the contract shield the business from liability to the maximum extent in its industry? YES NO

3.3 Does the business' contract form take advantage of other legal protections available to the business? Such as: Statutory limitations on liability, limitations on warranties, indemnification, claims procedures, contractual restrictions on filing suit, and so forth? YES NO

3.4 Do the business use the contract forms it has? YES NO

3.5 Are signatures obtained on every transaction? YES NO

3.6 Are signed contracts kept on file? YES NO

3.7 Can the business document proper service to its customers? Does the business have adequate quality control procedures in place? Does the business follow the quality control procedures? Can the business document compliance with its quality control procedures if challenged? YES NO

4 Is the business protected from problems caused by its vendors?

4.1 Does the business use a written contract with its important vendors? YES NO

4.2 Who prepared the form? The business or the vendor? Has it been subjected to legal review? YES NO

4.3 Does the contract hold the vendor responsible to the maximum extent possible according to the prevailing standard in the industry? Does the business get adequate guarantees, warranties and indemnification? YES NO

4.4 Does the contract form contain undesirable restrictions on suit against the vendor in the form of limitations on liability, limited warranties, limited remedies, and so forth? YES NO

4.5 If the business has its own forms, does it use them? YES NO

4.6 Are signatures obtained on every transaction? YES NO

4.7 Are signed contracts kept on file? YES NO

4.8 Can the business document the promises and services of the vendor? YES NO

4.9 Can the business document problems with vendors if necessary? YES NO

4.10 Is the vendor required to provide insurance? If so, does the business keep a copy of the current certificate of insurance? YES NO

5 Does the business comply with all applicable governmental regulations?

5.1 Do any governmental agencies regulate the business (federal, state, county or city)? YES NO

5.2 Is your business compliant with such? YES NO

5.3 Are these steps documented? YES NO

6 Are proper employment practices followed?

6.1 Does the business have an employee handbook? [] YES [] NO

6.2 If so, is it kept up to date? [] YES [] NO

6.3 Does the company follow the employee handbook? [] YES [] NO

6.4 Does the company use any written employment agreements? [] YES [] NO

6.5 If so, have the agreements been reviewed? [] YES [] NO

6.6 Are proper procedures in place to guard against discrimination, harassment, and other illegal actions by employees? [] YES [] NO

6.7 Does the business properly document employee hiring, discipline and firing decisions?
[] YES [] NO

6.8 Does the business comply with the Americans with Disabilities Act? [] YES [] NO

6.9 Does the business comply with OSHA? [] YES [] NO

6.10 Are federal and state wage and hour laws observed? [] YES [] NO

6.11 Are federal and state overtime laws observed? [] YES [] NO

6.12 Are federal and state meal break laws observed? [] YES [] NO

7 Is your important business information protected from misuse or misappropriation?

7.1 Has the company made an assessment of its valuable business information?
[] YES [] NO

7.2 Does the company have a program in place to protect its valuable business information?
For instance: patents, copyrights, trademarks, trade secrets, confidential information? [] YES [] NO

7.3 Have trademarks been obtained? [] YES [] NO

7.4 Are registered trademarks owned by the business being protected against infringers?
[] YES [] NO

7.5 Has the company obtained patents on its inventions? [] YES [] NO

7.6 Does the business have a nondisclosure agreement form? [] YES [] NO

7.7 Does it use trade secret agreements with its employees? [] YES [] NO

7.8 Is confidential information labeled as such? Does the business treat its own trade secrets confidentially? [] YES [] NO

8 Does the business properly handle important state, federal and local tax matters?

8.1 Does the business properly withholding and pay quarterly items? [] YES [] NO

8.2 Does the business file regular tax returns? [] YES [] NO

8.3 Does the business keep records to document is tax matters? [] YES [] NO

9 Does the business have a proper risk control procedures, including appropriate insurance?

9.1 Does the business carefully review its insurance policies to determine that there is coverage for the major risks and liabilities which it faces? [] YES [] NO

9.2 Does the business have current workers compensation insurance? [] YES [] NO

10 Is business expansion (purchasing a business or merging your business) or sale contemplated within the next six months? [] YES [] NO

11 Have you considered privacy issues affecting your business (methods to maintain anonymity for business owners, officers and directors and avoiding prying eyes)?
[] YES [] NO

12 Are you planning on relocating your business or leasing commercial space for your business (common tenant traps when entering into new leases)? [] YES [] NO

13 Are you planning on bringing new investors into your business (securities law compliance, proper disclosure documents)? [] YES [] NO

14 Is your business current on collection of your accounts receivable? [] YES [] NO

15 Are there any outstanding issues which the business has been putting off, but knows it needs to resolve? [] YES [] NO

16 Who do you know who could use our firm's services? [] YES [] NO
If so, who? _____

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