



**SUNY STARTUP**  
SUMMER SCHOOL

**Forming and Structuring Your  
Company Like A Boss**

**Presented by Richard E. Honen, Esq**



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SUMMER SCHOOL



**Phillips Lytle LLP**

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# Choice of Entity

- Need an entity to hold the IP and to facilitate investment
- Corporation v. Limited Liability Company (LLC)
- Considerations – liability, taxes, cost and ease of use, exits

# Choice of Entity Considerations

- Liability – about the same
- Taxes – Generally, owners and investors can take losses personally, but some additional flexibility with LLC side
- Formation cost, ease of use
- Investor preference and stock options

# Important Startup Agreements

- Nondisclosure agreements
- Assignment and work-for-hire agreements
- Consulting/employment agreements – non-competes
- Founders Agreements (next slide)

# Founders Agreements

- Assignment and non-compete
- Restricted transferability
- Vesting of equity based on continuing “business relationship”
- Acceleration events

# License Agreements

- An agreement with the owner of the technology, often the RF or a college or university
- Standard license terms and benchmarks
- Important to work with your tech transfer office to determine realistic benchmarks

# Questions?

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# Thank you!

- ▶ Please answer the Zoom poll question.
- ▶ Recording will be sent tomorrow.
- ▶ Don't forget to connect with us on [LinkedIn](#).
- ▶ See you next week for

Week 7: July 13

**Selling and Telling Your Story with Arel Moodie**