



SUNY **STARTUP**
SUMMER SCHOOL

**Forming and Structuring Your
Company Like A Boss**
Presented by Richard E. Honen, Esq



Phillips Lytle LLP

PASSIONATE PEOPLE. PRAGMATIC APPROACH.

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- 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

- 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

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

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

- 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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- ▶ 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 6: July 10

Team Chemistry – Leveling Up Your Company