
BAILLIE & HERSHMAN P.C.

—LAW OFFICES—

*The Most Commonly
Asked Questions About:*

BUSINESS SERVICES

Quick answers to your
business-related
legal questions

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WHAT LEGAL ENTITY IS BEST FOR STARTING MY BUSINESS?

Numerous alternatives exist for forming a business, including a corporation, partnership and the recently introduced limited liability company (“LLC”) and limited liability partnership (LLP”). What is best for you depends on many factors, including your type of business or industry as well as taxes, ownership and the desired management structure.

WHAT IS AN LLC?

An LLC, or limited liability company, is a business entity that can be formed in Connecticut by one or more individuals. Advantages to the owners (“Members”) include limited personal liability and favorable tax treatment.

IF MY BUSINESS IS SUED, AM I PERSONALLY AT RISK?

Different rules apply depending on the type of business entity and other factors. Normally, personal assets of corporation’s shareholders and LLC’s members are not at risk. However, if you are a sole proprietor, your personal assets would be subject to recovery by creditors of the business.

WHAT REGULATORY APPROVALS DO I NEED WHEN STARTING A BUSINESS?

You will want to make sure that your type of business is a permitted “use” for its location under the zoning laws of the municipality. Several other regulatory approvals may be necessary, depending on the nature of the business.

CAN I BE HELD RESPONSIBLE FOR ENVIRONMENTAL PROBLEMS AT MY BUSINESS EVEN IF I DID NOT CAUSE THEM?

Yes. For example, if oil from underground storage tanks has leaked into the soil or groundwater, the Connecticut Department of Environmental Protection can name you as a defendant in a lawsuit, even if the contamination was caused by others who owned or leased the property before you.

WHAT CAN I DO TO ENSURE THAT MY BUSINESS SURVIVES IF I DIE OR RETIRE?

Various agreements can be executed to help keep your business running in the event of death or retirement. These include stockholder or partnership agreements, employment contracts and voting trusts. Careful drafting of such agreements will offer vital protection in the event of unforeseen circumstances.

SHOULD I HAVE AN EMPLOYMENT HANDBOOK FOR MY EMPLOYEES?

If your business allows employees to have direct access to clients, customer lists and confidential information, it may be prudent to execute non-competition agreements that protect your business territories and established relationships.

WHAT TYPES OF QUESTIONS MAY I LEGALLY ASK DURING AN INTERVIEW?

Asking improper questions in a job interview can have devastating consequences for a business. Generally, questions should be restricted to work experience and the applicant's ability to perform the job. Inquiries about marital status, children, age, or substance abuse can open the door to claims of unlawful discrimination.

WHAT IS A "TRIPLE NET" LEASE?

In commercial leases, this term means that in addition to rent, the tenant must pay all expenses for the use and operation of the property, including all taxes, utilities, maintenance and insurance charges. A "gross" lease is one where the landlord is obligated to pay such expenses.

The law firm of BAILLIE & HERSHMAN, P.C. is in touch with the issues and laws shaping today's competitive and rapidly changing business climate. Speak to any of our attorneys and find out why people throughout Connecticut turn to us to help realize their business goals.

WHAT ELSE DO I NEED TO KNOW?

There will be many questions that arise over the period of time you are forming your business. This pamphlet can't answer all of those questions or even anticipate what they might be. Fortunately, the attorneys and staff at BAILLIE & HERSHMAN, P.C. can address your concerns as they arise.

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This pamphlet is offered free by BAILLIE & HERSHMAN, P.C. and is intended to provide general information to help answer some of the questions you may have about buying and selling real estate. Hopefully, it will help you feel more comfortable entering into this type of legal transaction. We also offer information on estate planning, business services and personal injury.

Of course, you may have additional questions that we will also be pleased to answer for you. For a free initial consultation, simply call (203) 272-7000. You can rely on the experts at BAILLIE & HERSHMAN, P.C., to help you with any of your legal matters. Trust in us.

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