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Setting Up Your Business: What Ownership Structure is Going to Work for You?

There are many angles to consider when starting a business. Laying the foundation is the most important part of the process. To readily prepare for your business start up, you must decide on an ownership structure that best suits your needs.

Business ownership structures are sole proprietorships, partnerships, corporations, or limited liability companies (LLC). Selecting the choice that most effectively fits your needs involves consideration of the following factors:

Risks and Liabilities

↪ Is it important to you to protect your personal assets from the liabilities of the business? If so, you must next consider what types of liabilities your business could have. If your business will engage in activities that could physically harm another person, or his/her property, your business may be exposed to future lawsuits. The first defense to such potential suits is to obtain a thorough liability insurance policy with adequate coverage. The second defense is to chose a business ownership structure such as a corporation or LLC. Corporations and LLCs offer their owners a corporate shield that protects the personal assets of the owners from the lawsuits of the business.

Formalities and Expenses

↪ If you are looking for an easy setup process and are not concerned about liability issues, the choice of business structure would be either sole proprietorships or partnerships. Such ownership structures do not require any special forms to be filed or payment of any fees to get started with your business. It is always a good idea, however, to have a thorough Partnership Agreement drafted which describes the owners' responsibilities when entering into a Partnership.

↪ In most cases LLCs and corporations are more expensive to start up and slightly more difficult to maintain. This is because there are specific legal requirements that must be followed in order to obtain the corporate shield.

Income Taxes

↪ Sole proprietorships, partnerships, and LLCs are comparatively even when it comes to income taxes. All profits and losses pass through the business to the owners. The owners will report their share of the profits, or deduct their share of the losses, on their personal income tax returns. A corporation can be exposed to double taxation and typically is faced with a higher income tax rate. However, some corporations can qualify for an election to pass their income through to their shareholders.

Investment Needs

↪ Corporations provide a built-in stock structure. This benefits the business owner because it creates more opportunity to attract investment capital. Corporations may also raise public capital by making a public offering of shares. LLCs can also be structured to issue ownership interests for investment purposes.

Greenhalgh Krueger Hernandez & Fasi SC has assisted numerous individuals with their business and corporate needs. Whenever you go into business with another individual, it is critical that a written agreement be entered into. The time to sign such agreements is at the beginning of a business venture. The investment of thoroughly exploring your business ownership options and entering into well drafted documents gives the return of financial security. Remember an ounce of prevention is worth a pound of cure. Call us toll free at 1 (866) 455-2993 to schedule your FREE consultation today!



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You're first and foremost with us.

***What Our Clients Have to Say
About the Service they Re-
ceived at Greenhalgh Krueger
Hernandez & Fasi SC...***

***"The service we received was
very prompt and professional;
Excellent firm."***

***~ Complimentary to
Attorney William F. Greenhalgh***

Disclaimer

The information provided in this newsletter is not intended to serve as specific legal advice. Viewing this information does not constitute an attorney-client relationship.

www.gklawyers.net

2nd Street Professional Offices
123 Second Street, P.O. Box 41
Baraboo, Wisconsin 53913
Phone: (608) 356-3961
Fax: (608) 356-2008

930 Elm Grove Road, Suite C
Elm Grove, Wisconsin 53122
Phone: (262) 782-2229
Fax: (262) 786-7861

51 South River Street
Janesville, Wisconsin 53548
Phone: (608) 758-5454
Fax: (608) 752-3993

Olde Towne Office Park
6325 Odana Road
Madison, Wisconsin 53719
Phone: (608) 273-0820
Fax: (608) 273-0821

GK Funnies

An attorney defending a man accused of burglary tried this creative defense: "My client merely inserted his arm into the window and removed a few trifling articles. His arm is not himself, and I fail to see how you can punish the whole individual for an offense committed by his limb."



"Well put," the judge replied. "Using your logic, I sentence the defendant's arm to one year's imprisonment. He can accompany it or not, as he chooses."

The defendant smiled. With his attorneys assistance he detached his artificial limb, laid it on the bench, and walked out.

Now is the perfect time to secure you and your family's future with a solid, customized estate plan created especially for your needs. For more information, request an Estate Planning Survival Kit today by calling us toll free at 1 (866) 455-2993.

Lease & Rental Agreements ~ Make Sure It's Complete!

When it comes to signing a lease or rental agreement, you want to make sure you know what you are agreeing to. The following is a list of items you should make sure are covered in your contract before signing the dotted line!

1. Names of all tenants
2. Limits on occupancy
3. Term of the tenancy
4. Amount of payment due
5. Deposits and fees
6. Repairs and maintenance
7. Entry to rental property
8. Restrictions on tenant illegal activity
9. Pets
10. Other restrictions



If you currently have a lease or rental agreement you are uncertain of or are looking at signing an agreement in the near future, we can review it for you. Contact us at one of our four conveniently located offices to schedule an appointment today!

Recent News...



Congratulations to Attorney Joseph M. Fasi II for being one of Wisconsin's Super Lawyers as published in the November 2005 issue of *Milwaukee Magazine*. Joseph's practice focuses on cases involving serious injuries or death, health care law, sports & entertainment law, and family & civil litigation.



Attorney Mark L. Krueger recently received his license to practice law in the State of New York. Mark's practice focuses on cases involving serious injuries or death, complicated divorces, and business and employment litigation.

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Jamie Stowell

Mark Krueger
Greg Fumelle
Dera Johnsen
Shelley Craker
Sandra Fisher

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Jason Staples
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Stacie Ray

Joseph Fasi II
Renee Nehring
Carrie Staben
Tammy Kroetz

