Choosing and Forming a Business Entity in DC

Page

TAB 1

CHOICE OF BUSINESS ENTITY 8

I. Introduction

II. Organizational Considerations and Tax Considerations

III. Traditional Distinctions Between Corporate Entities and Non-Corporate Entities

IV. Elimination of Traditional Distinctions

V. The Doctrine of Limited Liability

VI. Disregard of the Limited Liability Protection ("Piercing the Veil")

VII. The Doctrine of Limited Liability and LLCs (and other Non-Corporate Entities)

VIII. Disregarding Limited Liability Protection of LLCs in Other Jurisdictions

IX. Limited Liability of Series of Membership Interests

X. Self-Classification for Federal Income Tax Purposes

XI. Financing the Entity

TAB 2

DISTRICT OF COLUMBIA OFFICIAL CODE TITLE 29 (BUSINESS ORGANIZATIONS) ENACTMENT ACT OF 2010 ACT18-0724 26

I. Introduction

II. Common Applicable Provisions

III. Substantive Entity Laws

IV. Effective Date and Effective Date

TAB 3

COMMON APPLICABLE PROVISIONS 30

I. General Provisions

II. Entity Transactions

TAB 4

BUSINESS CORPORATIONS AND OTHER CORPORATE ENTITIES 35

I. Business Corporation

II. Professional Corporation

III. S Corporation

IV. Not For Profit Corporation

TAB 5

NON-CORPORATE BUSINESS ENTITIES.....45

I. Sole Proprietorship

II. General Partnership

III. Limited Partnership

IV. Limited Liability Company

V. Statutory Business Trust

TAB 6

COOPERATIVES.....75

I. General Cooperatives

II. Limited Cooperatives

TAB 7

NONPROFIT ASSOCIATION.....78

TAB 8

DRAFTING CONSIDERATIONS FOR ENTITY AGREEMENTS.....83

I. Basic Principles of Entity Agreements

II. Structure of Written Entity Agreements

A. Identity of Parties and Capacities

B. Preliminary Issues

C. The Terms and Conditions of the Legal Relationship

D. Contract Governance

E. Execution of the Agreement

F. Single Person Entity Agreements

TAB 9

ETHICAL CONSIDERATIONS IN COUNSELING ENTITIES 97

I. Introduction

II. Forming the Entity

III. Representing the Entity

IV. Equity Interest in Entity Instead of Fees

TAB 10

ATTORNEY CLIENT PRIVILEGE IN THE ENTITY CONTEXT 103

I. Introduction

II. Attorney Client Privilege and the Corporation

III. Attorney Client Privilege and the UPA and ULPA Partnerships

IV. Attorney Client Privilege and the RUPA and RULPA Partnerships

V. Attorney Client Privilege and the LLC and BT

TAB 11

PROFESSIONAL PRACTICE THROUGH ENTITIES.....111

I. Professional Practice through Entities

II. Attorneys Practicing with Non-Attorneys

III. Exclusion from Limited Liability in PC

IV. Exclusion from Limited Liability in LLP

V. Exclusion from Limited Liability in LLC

TAB 12

"THE DISTRICT OF COLUMBIA REVISED UNIFORM PARTNERSHIP ACT AND LIMITED LIABILITY PARTNERSHIPS" By Nicholas G. Karambelas, Esq. Washington Lawyer Magazine, Vol. 12 No. 4 March/April 1998 Issue. 115

TAB 13

"THE REVISED UNIFORM LIMITED LIABILITY COMPANY ACT", By Nicholas G. Karambelas, Esq., The Washington Lawyer, Vol. 22 No. 6, February 2008.....116

TAB 14

"RAISING CAPITAL AND EXEMPTIONS FROM REGISTRATION UNDER FEDERAL SECURITIES LAWS", By Nicholas G. Karambelas, Esq. Vol. 24 No. 4 The Washington Lawyer December 2009 117