

Client Limited Liability Company Questionnaire
(to be completed by client)

IN ORDER FOR US TO PREPARE YOUR LIMITED LIABILITY COMPANY ("LLC") DOCUMENTS PROPERLY, WE NEED YOU TO PROVIDE THE INFORMATION REQUESTED ON THE FOLLOWING PAGES. YOUR TIMELY WORK ON THIS REQUEST WILL EXPEDITE THE PROCESS OF CREATING YOUR LLC AND ASSURE THAT WE HAVE ACCURATE INFORMATION. IF YOU HAVE NOT MADE A DECISION ON ANY PARTICULAR AREA, PLEASE LEAVE IT BLANK FOR DISCUSSION WITH US.

IN ADDITION TO THE INFORMATION ON THIS SHEET, **PLEASE BRING THE FOLLOWING** TO OUR INITIAL MEETING:

- (1) If an existing business is to be purchased or transferred to the LLC, a copy of the most recent income statement, balance sheet, and federal income tax return for the business and a detailed list of the assets and liabilities of the business.
- (2) If the LLC is to purchase any other business, a copy of any information you have about the purchase (e.g., copy of any purchase agreement or financial statement).
- (3) All state and federal tax identification numbers for existing businesses which are being transferred into the LLC.
- (4) If an existing entity is being converted, a copy of all organizational, partner and shareholder agreements.

PLEASE REVIEW THE ATTACHED MATERIAL ON LLCs BEFORE OUR NEXT MEETING (unless we reviewed LLCs in an earlier meeting).

CLIENT INFORMATION:

Client name:

Address:

office phone: _____

cell phone:

fax number: _____

home phone:

LIMITED LIABILITY COMPANY MATTERS:

LLC name choices (Note: the name must include a reference to the LLC and is not to exceed 80 characters):

1st:

2nd:

3rd:

Do you use a similar name registered with the California Secretary of State? Yes _____ No _____

Do you know of any similar name registered with the California Secretary of State? Yes _____ No _____

Do you want to establish a State of California trademark of your name? Yes _____ No _____

Let's Discuss

Do you want to establish a federal trademark of your name? Yes _____ No _____

Let's Discuss

Principal office address:

office phone: _____

fax number:

other phone: _____

e-mail:

BASIC INFORMATION:

Yes

No

1. Is this a new business? _____

If not, how long has the existing business been in existence? _____ years

What is the legal name of any prior business?

In what legal form was the prior business operated? (circle)

* Sole Proprietorship

* C Corporation

* S Corporation

* Limited Partnership

* General Partnership

* Other _____

2. Will the business operate in any other states? _____

If so, please list the states:

3. Is this LLC going to purchase an existing business? (If yes, name and describe)

Yes

No

4. Will the LLC owners include any:

* non-California residents ? _____

* corporations ? _____

* trusts ? _____

* partnerships ? _____

* resident aliens ? _____

* non-resident aliens ?
Yes No

5. Will the owners be attempting to sell interests in the LLC to others?

6. Are you going to obtain any loans for your new LLC?

Expected lender:

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Expected Loan: \$_____ and main terms (interest rate, duration, who is responsible to repay, collateral):

7. Do any owners have more than 5% ownership in any other business, partnership, or corporation?
Yes No

8. Are the contributions of any owners to be paid in property?

9. Are the contributions of any owners to be paid in securities?

10. Are the contributions of any owners to be made by a note?

11. Are any ownership interests going to be issued for services?

12. Do you intend to assign any income right, accounts receivable, or contractual rights to the new LLC?

13. Will you be operating under a name other than the exact LLC name? (If so, specify: _____)

14. When do you first anticipate paying any compensation? _____ 20____.

15. Please describe the nature of the business to be conducted by the LLC:

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16. Is the business primarily a service business?
Yes No

17. Will all of the owners be involved in the management of the LLC?

Contribution: \$ _____
Ownership: _____ %

Contribution: \$ _____
Ownership: _____ %

TAX ELECTIONS:

- * Choice of Tax Year (may be restricted): _____
- * Accounting Method (may be restricted): _____
- * Tax Matters Partner? _____

TRANSFERS:

Assets: The following assets will be transferred to the LLC:

<u>ASSET</u>	<u>OWNER</u>	<u>VALUE</u>

Liabilities: The following liabilities will be assumed by the LLC or are secured by any of the assets being transferred to the LLC:

<u>LIABILITY</u>	<u>DEBTOR</u>	<u>PRESENT BALANCE</u>

Contracts: The following contracts will be transferred to the LLC:

<u>OTHER PARTY</u>	<u>TRANSFERRING PARTY</u>	<u>PURPOSE</u>
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OTHER ADVISORS:

NAME

PHONE

Accountant

Banker

Insurance

Financial

Other:

C □ C

Evaluation of the LLC

There are numerous factors important to owner-members who are forming an LLC. In determining which alternatives fit your particular circumstances, it is critically important that you provide us information on how important certain factors are to the owners of the LLC.

Please rate each of the following issues in the creation of the LLC on a scale from 1 to 5 (1 being the highest importance).

Factor	1	2	3	4	5
Pass-through of LLC taxable income to owners is important.					
All owners are to be active in the business.					
We are concerned about conflicts of interest (specify).					
We want to limit the liability of the members for the actions of other members.					
We want to limit the liability of owners for the actions of managers.					
We want to have only a certain number of owners managing the LLC.					
We want to restrict the ability of the LLC or its members to transfer LLC assets.					
We will transact business in the LLC in other states.					
Owners should have the unrestricted right to examine and obtain copies of LLC documents.					
Secrecy is a concern.					
We do not expect to have more than [#(five)] owners of the business.					
We want to restrict the ability of any owner to transfer his or her interest in the LLC.					
We want to restrict the ability of an owner to pledge his or her interest in the LLC to secure his or her debt.					
We want to deny members the right to withdraw unilaterally from the LLC.					
We want to require the business entity to liquidate upon the death, bankruptcy, retirement, or expulsion of any member.					
A member will /not be required to sell his interest upon death, disability, bankruptcy or retirement.					
Profit and loss allocations will differ from the capital contributions.					
We wish to require minimum distributions of LLC income (e.g., to pay allocated income).					
Owners will /not be granted preemptive rights to maintain their ownership percentage in the LLC.					

Owners should have cumulative voting rights.

Managers, members and officers should be indemnified by the LLC for actions taken in good faith.

We want to provide for non-voting members.

We want to provide tax free fringe benefits to owners/employees.

We want the LLC owners to be able to require another owner to sell his ownership back to the LLC.

We want to have different classes of ownership.