TABLE OF CONTENTS

Introduction, Disclaimers, and Acknowledgments Table of Contents

CHAPTER 1 CHOICE OF ENTITY CONSIDERATIONS

- 1.1 Non-Tax Considerations
 - 1.1.1 Sole Proprietorship
 - 1.1.2 General Partnership
 - 1.1.3 Limited Partnership
 - 1.1.4 Corporation
 - 1.1.5 Limited Liability Company
- 1.2 Tax Considerations
 - 1.2.1 Definition of Entities for Federal Income Tax Purposes
 - 1.2.2 Formation
- 1.3 Conclusion

CHAPTER 2 CORPORATIONS

- 2.1 Overview
- 2.2 Incorporation Formalities
 - 2.2.1 Articles of Incorporation
 - 2.2.2 Other Incorporation Matters
 - 2.2.3 Amending Incorporation Documents
 - 2.2.4 Bylaws
- 2.3 Capitalization and Stock Certificates
- 2.4 Transfer of Property to Corporation
- 2.5 Management and Control
- 2.6 Shareholder and Director Meetings

2.7	Shareholder Liability		
2.8	Restrictions on Transfer of Stock; Shareholder Agreements; Voting Trusts		
2.9	Foreign Corporations		
2.10	Record Keeping		
2.11	Merger.		
2.12	Dissolution		
	2.12.1 Voluntary Dissolution2.12.2 Administrative Dissolution2.12.3 Judicial Dissolution2.12.4 Filing Requirements		
2.13	Federal and State Taxation		
	2.13.1 S Corporations2.13.2 C Corporations2.13.3 Franchise Tax		
2.14	Nonprofit Corporations		
	 2.14.1 Differences Between Nonprofit and For-Profit Corporations 2.14.2 Formation of a Nonprofit Corporation and Recognition of Exempt Status 2.14.3 The Arkansas Nonprofit Corporation Acts 2.14.4 Fiduciary Duties 2.14.5 Act 569 of 2007 2.14.6 IRS Form 990; Notice Under the Pension Protection Act of 2006 2.14.7 Solicitation of Contributions and Registration of Fundraisers 		

CHAPTER 3 LIMITED LIABILITY COMPANIES

- 3.1 Overview
- 3.2 Organizational Formalities
 - 3.2.1 Certificate of Organization and Franchise Tax Registration

	3.2.2	Other Formalities			
	3.2.3	Amending Organization Documents			
3.3	Operating Agreement				
3.4	Right	s, Obligations, and Duties of Members			
	3.4.1	Voting Rights			
		Agency Power			
	3.4.3	Liability of Members to Third Parties			
	3.4.4	Special Litigation Committee			
3.5	Management and Control				
	3.5.1	Structure			
	3.5.2	Manager's Authority			
		Duties			
3.6	Distribution and Allocation of Profit and Loss				
		Capital Contributions			
	3.6.2	Profits and Losses			
	3.6.3	Distributions and Withdrawal			
3.7	Ownership and Changes in Membership Interests				
	3.7.1	Limited Liability Company Property			
	3.7.2	Nature of Limited Liability Company Interest			
	3.7.3	Transfer of Membership Interests			
3.8	Admission and Withdrawal of Members				
	3.8.1	Admission of Members			
	3.8.2	Events of Dissociation			
3.9	Dissolution and Winding Up				
	3.9.1	Judicial Dissolution			
		Distribution of Assets			
	3.9.3	Articles of Dissolution			
	3.9.4	Known and Unknown Claims			
3.10	Acco	unting and Record Keeping			

- 3.11 Merger.
- 3.12 Conversion
- 3.13 Taxation
 - 3.13.1 Federal
 - 3.13.2 Arkansas
- 3.14 Foreign Limited Liability Companies
- 3.15 Limited Liability Company Securities Laws Considerations

CHAPTER 4 PARTNERSHIPS

- 4.1 General Partnership
 - 4.1.1 Organizational Formalities
 - 4.1.2 Capitalization
 - 4.1.3 Management and Control
 - 4.1.4 Profit and Loss
 - 4.1.5 Partner Liability
 - 4.1.6 Foreign General Partnerships
 - 4.1.7 Books and Records
 - 4.1.8 Merger and Conversion
 - 4.1.9 Dissolution
- 4.2 Limited Partnership
 - 4.2.1 Organizational Formalities
 - 4.2.2 Capitalization
 - 4.2.3 Management and Control
 - 4.2.4 Profit and Loss
 - 4.2.5 Partner Liability
 - 4.2.6 Foreign Limited Partnerships
 - 4.2.7 Record Keeping
 - 4.2.8 Merger and Conversion
 - 4.2.9 Dissolution
- 4.3 Limited Liability Partnership

	431	Organizational Formalities		
		Capitalization		
		Management and Control		
		Profit and Loss		
		Partner Liability		
		Foreign Partnerships		
	4.3.7	Books and Records		
	4.3.8	Merger and Conversion		
		Dissolution		
4.4	Limited Liability Limited Partnership			
	4.4.1	Organizational Formalities		
		Capitalization		
		Management and Control		
	4.4.4	Profit and Loss		
	4.4.5	Partner Liability		
	4.4.6	Foreign Limited Liability Limited Partnerships		
		Record Keeping		
		Merger and Conversion		
	4.4.9	Dissolution		
	APTER 5 URITIE			
Prefa	ace			
5.1	Introd	duction		
5.2	Sourc	es of Securities Law		
	5.2.1	Federal Law		
	5.2.2	Arkansas Law		
5.3	What	Is a "Security"?		
	5.3.1	Federal Law		
	5.3.2	Arkansas Law		
	5.3.3	Practical Considerations		

Exempt Securities 5.5

Registration vs. Exemptions0

5.4

		Exempt Securities Under Federal Law Exempt Securities Under Arkansas Law			
5.6	Exempt Transactions Under Federal Law				
5.7	The Section 4(a)(2) Private Placement Exemption				
5.8	Regulation D and the "Accredited Investor"				
5.9	Rule 506(b) of Regulation D				
	5.9.2 5.9.3 5.9.4 5.9.5 5.9.6 5.9.7 5.9.8	Purchasers Information Manner of Offering Limitations on Resale Integration Bad Actor Disqualification Form D Relationship Between Rule 506(b) and Arkansas Securities Law The Problem of Resales			
5.10	Rule 5	506(c) of Regulation D			
	5.10.1	"Reasonable Steps to Verify" Accredited Investor Status			
5.11	Other	Regulation D Exemptions			
	5.11.1	Rule 504			
5.12	Regul	lation A			
	5.12.2 5.12.3 5.12.4 5.12.5 5.12.6	Regulation A – Generally Which Companies are Eligible to Use Regulation A? What Securities May Be Sold? Regulation A Offering Process Ongoing Reporting Requirements State Law Preemption Attractiveness of Regulation A Offerings			
5.13	Crowdfunding				
		Limitation on Aggregate Amount Restriction on Amounts Invested			

	5.13.4 Rules for Intermediaries5.13.5 Special Rules for Funding Portals5.13.6 Restrictions on Transfer5.13.7 Civil Liability Under Federal Law5.13.8 State Regulation.
5.14	Other Changes Wrought by the JOBS Act
	5.14.1 Increased Shareholder Thresholds Under Section 12(g) for Public Company Reporting5.14.2 Emerging Growth Companies
5.15	Section 3(a)(11) and Rule 147: Intrastate Offerings
	 5.15.1 "Part of an Issue" 5.15.2 Offerees and Purchasers "Resident Within" a State 5.15.3 Issuers "Resident Within" a State 5.15.4 "Doing Business Within" a State 5.15.5 Resales
5.16	5.16.1 Business Organization Exemption 5.16.2 Additional Sales by an Existing Issuer 5.16.3 Existing Securities Holders 5.16.4 Institutional Buyer
	5.16.5 Accredited Investor5.16.6 One Hundred Percent Sale of a Business5.16.7 Isolated Non-Issuer Transaction
5.17	Liability for Violations of the Federal Securities Laws
	5.17.1 Fraud Under Section 10(b) and Rule 10b-55.17.2 Illegal Sales of Securities Under Section 12(a)(1)5.17.3 Misrepresentation Under Section 12(a)(2)
5.18	Liability Under Arkansas Law
	5.18.1 Private Right of Action Under Ark. Code Ann. § 23-42-1065.18.2 Common-Law Doctrines

5.13.3 Rules for Issuers

CHAPTER 6 INTELLECTUAL PROPERTY ISSUES

- 6.1 Overview
- 6.2 Trademarks
- Business Name Registration Trade Secrets 6.3
- 6.4
- Copyrights 6.5
- 6.6 Patents