

Index

ABANDONMENT

Initial public offerings, integration, **11:152**

ACCELERATION

Initial public offerings, filing requirements, **11:42**

ACCELERATORS

Sources of financing, **5:18**

ACCESS TO CAPITAL FOR JOB CREATORS

General solicitation and advertising for exempt offerings, **6:3**
Title II of JOBS Act of 2012, **6:3**

ACCOUNTANTS

Initial public offerings, right of approval, **11:26**
Securities Laws, this index

ACCOUNTING

Compensation and stock incentives, key employees, **8:14**
Initial Public Offerings, this index

ACCOUNTS RECEIVABLE

Second round financing, **10:5**

ACCREDITED INVESTORS

Securities laws, **6:4, 6:5.20, 6:5.30**

ADVERTISING

Offerings, Form C filing, prior to and after, **6:6.40.1, 6:6.40.2**

AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967

General discussion, **9:43**

AGREEMENTS BETWEEN FOUNDER

General discussion, **3:1 et seq.**
Buy-out and buy-sell agreements, **3:5, App 3-J**

AGREEMENTS BETWEEN

FOUNDERS—Cont'd

Buy-sell agreement checklist, **App 3-L**

Control of stock, **3:2**

Cross-purchase agreement, **App 3-K**

Cumulative voting, **3:2**

Dual class stock ownership, **3:2**

Employment contracts for founders, **3:4, App 3-E, App 3-F**

Inventions by employees, **App 3-H, App 3-I**

Inventions by founders, **3:6, App 3-G-1, App 3-G-2**

Irrevocable proxies, **3:2, App 3-C**

Management of business, **3:3**

Patents of founders, **3:6**

Responsibility, division of, **3:3**

Secrecy agreements, inventions by employees, **App 3-H, App 3-I**

Shareholders' agreements, **3:2, App 3-A, App 3-B**

“Shotgun” buyout clause, **App 3-M**

Stock or ownership interests, division of, **3:1**

Valuation of contributions, **3:1**

Voting trusts, **3:2, App 3-D**

ALCOHOL USE AND TESTING

Employee handbooks, **9:45**

ALIENS

Immigration Reform and Control Act of 1986, **9:43**

ALL-HANDS MEETING

Initial public offerings, **11:31**

ALLOCATIONS

Partnerships, taxation, **2:6**

AMERICA INVENTS ACT (AIA)

General discussion, **9:2**

Derivation proceeding, **9:2**

First-inventor-to-file, **9:2**

AMERICA INVENTS ACT (AIA)

—Cont'd

Subject matter, **9:2**

**AMERICANS WITH
DISABILITIES ACT OF 1990**

General discussion, **9:43**

ANGEL INVESTORS

Directory, **App 5-B**

Formation of venture, **2:2**

Initial financing, **5:16 to 5:18, App 5-B, App 5-E**

ANNUAL REPORTS

Operation of public companies

Form 10-K, **12:6**

Section 12(g) companies, **12:18**

Shareholders' meetings, **12:62**

ANTITRUST LAW

General discussion, **9:24 et seq.**

Duration of licensing agreements,
9:27

Field of use restrictions, **9:28**

Grant-back provisions, **9:29**

Hart-Scott-Rodino Antitrust Improvements Act of 1976, **12:67**

Pricing tactics, **9:31**

Product price restraints, **9:25**

Quantity restrictions, **9:28**

Representative, distributor and dealer arrangements, **9:41**

Territorial restraints, **9:26**

Tying agreements, **9:30**

Unfair competition, **9:32**

APPRECIATION RIGHTS

Compensation and stock incentives, key employees, **8:12, 8:14**

APPROVAL

Intermediary between clients, conflicts of interest, **1:8**

ARBITRARY MARKS

Trademarks, **9:5**

ARBITRATION

Employment, **9:46**

ASSOCIATED PERSONS

Securities laws, issuer exemption, **6:15**

ATTORNEYS' FEES

Ethics, **1:6, 1:7**

Initial financing, **5:6**

Initial public offerings, letter of intent, **11:23**

Private Securities Litigation Reform Act of 1995, **6:28**

AT-WILL EMPLOYMENT

General discussion, **9:45, App 9-H**

AUDIT COMMITTEES

Communications with auditors, **12:26, 12:27**

Disclosures, **12:23**

Financial expert, **12:24**

Independence of members, **12:22**

Operation of public companies, **12:21 et seq.**

Pre-approval of non-audit services, **12:25**

AUDITING STANDARDS

Emerging growth companies, **6:3**

BACKDATING OF OPTIONS

Compensation and stock incentives, **8:18**

BACKLOG INFORMATION

Initial public offerings, drafting registration statement, **11:56**

“BAD BOY” DISQUALIFICATION

Securities laws, **6:12**

BAD FAITH

Torts, **9:12**

BANKS

Initial financing, **5:15**

BENEFITS

Limited liability companies, employees, **2:10**

Partnerships, employees, **2:10**

BEST EFFORTS

Type of underwriting, **11:23**

INDEX

BLUE SKY LAWS
Initial Public Offerings, this index
Securities laws, **6:14**

BOOT
Taxation, this index

BREAKUP FEES
Mergers and sales of companies, **14:6**

BRIDGE FINANCING
Second round financing, **10:14, App 10-D**

BROKERS
Non-registered finders, online
matchmaking portals, and demo
days, **6:13**

BULLETIN BOARDS
OTC bulletin board, **12:58**

BUNDLING DISTRIBUTION AGREEMENT
General discussion, **App 9-D**

BUSINESS JUDGMENT RULE
Operation of public companies, **12:79**

BUSINESS PLANS
Formation of venture, **2:2, App 2-A, App 2-B, App 2-C**
Second round financing, corporate
partnering, **10:20**

BUSINESS PURPOSE TEST
Mergers and sales of companies,
14:26

BUSINESS TORTS
Torts, this index

BUYERS
Mergers and Sales of Companies, this
index
Securities laws, resales by qualified
institutional buyers, **6:20**

BUY-OUT AND BUY-SELL AGREEMENTS
General discussion, **3:5, App 3-J**

BUYOUTS
Operation of public companies, reso-
lution of conflicts and breaking

BUYOUTS—Cont'd
of deadlocks, **12:83**

BUY-SELL AGREEMENTS
Initial financing, retention of control,
4:20

CAPITAL AND CAPITALIZATION
Initial public offerings, **11:61**
Raising capital, role of lawyer, **1:1**
Venture Capital, this index

CAPITAL EXPANSION
SEC rule making, **6:3**
Shareholder threshold for registra-
tion, **6:3**
Title VI of JOBS Act of 2012, **6:3**

CAPITAL RAISING
Operation of public companies, **12:2**

CERTIFICATES AND CERTIFICATION
Initial financing, amended or restated
certificate of incorporation, **App 7-D**
Operation of public companies
Earnings announcements, officer
certifications, **12:30**
Form of certification, **App 12-I**

CHEAP STOCK
Initial public offerings, blue sky qual-
ification, **11:37**

“CHEAP STOCK”
Formation of venture, protection of
secrets, **2:2**

“CHECK-THE-BOX” REGULATIONS
General discussion, **2:11**

CIVIL RIGHTS
Title VII of the Civil Rights Act of
1964, **9:43**

CLASS ACTIONS
Private Securities Litigation Reform
Act of 1995, **6:28.50, 6:28.51**

CLOSE CORPORATIONS
Formation, **2:21**
Management structure, **2:4**

CLOSING
 Initial public offerings, **11:46**

COMPENSATION AND STOCK INCENTIVES
 General discussion, **8:1 et seq.**, **App 8-A**
 Accounting, **8:14**
 Backdating of options, **8:18**
 Election, Section 83(b), **8:9**, **App 8-B**
 Employment, **9:47.50**, **9:48**
 Equity incentive plan, form, **App 8-A**
 Executive compensation, excessive, **8:17**
 Form of nonqualified stock option agreement, **App 8-B**
 Incentive stock option agreement, form of, **App 8-C**
 Incentive stock options, **8:11**
 Initial public offerings, registration statement, **11:58**, **11:134**
 Memorandum to employees describing different types of incentive stock, **App 8-G**
 Nonlapse restrictions, **8:5**
 Nonqualified stock options, **8:10**
 Operation of Public Companies, this index
 Partnership interests for services, **8:15**
 Phantom stock, **8:13**
 Phantom stock plans, **App 8-F**
 Restricted deferred compensation plans, taxation of, **8:16**
 Restricted stock, stock purchase and bonus plans, **8:14**
 Restricted stock agreement, **App 8-E**
 Restricted stock grants, **8:8**
 Stock appreciation rights, **8:12**, **8:14**
 Stock appreciation rights agreement, form, **App 8-D**
 Stock purchase and bonus plans, **8:7 to 8:9**, **8:14**
 Substantial risk of forfeiture, **8:3**
 Taxation of property as compensation, generally, **8:1 et seq.**
 Transfer of property, **8:2**
 Transferability, **8:4**
 Treatment of employer, **8:6**

COMPENSATION AND STOCK INCENTIVES—Cont'd
 Vesting provisions of stock options, **8:19**
 Worksheet, **App 8-G**

COMPETITION
 Initial public offerings, drafting registration statement, **11:57**
 Noncompetition Agreements, this index

COMPUTER FRAUD AND ABUSE ACT
 Unfair competition, **9:13**

COMPUTER SOFTWARE
 Initial public offerings, development costs, **11:91**
 Representative, distributor and dealer arrangements, **App 9-C**, **App 9-E**

CONFIDENTIAL SUBMISSIONS
 Emerging growth companies, **6:3**

CONFIDENTIALITY
 Disclosure, this index
 Employee handbooks, **9:45**
 Employment, **9:47**, **9:47.50**
 Formation of venture, restrictive agreements between founders and previous employers, **2:39**
 Initial public offerings, drafting registration statement, **11:63**

CONFLICTS
 Operation of public companies, **12:81**

CONFLICTS OF INTEREST
 General discussion, **1:2 et seq.**
 Initial financing, **5:3**

CONSENT
 Intermediary between clients, conflicts of interest, **1:8**

CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT OF 1986
 General discussion, **9:43**

CONSOLIDATIONS
 Corporations, formation of, **2:21**

INDEX

CONTINGENT FINDER'S FEES

Conflicts of interest, 1:7

CONTINGENT WORKERS

Wages and hours, 9:50, 9:52

CONTINUITY OF EXISTENCE

Corporations, formation of, 2:21

Mergers and sales of companies, 14:26

CONTINUITY OF OWNERSHIP

Mergers and sales of companies, 14:26

CONTRACTS

Agreements Between Founders, this index

Buy-out and buy-sell agreements, 3:5, App 3-J

Buy-sell agreements, retention of control, 4:20

Contractual and other arrangements to resolve conflicts and break deadlocks, 12:81

Lock-Up Agreements, this index

Noncompetition Agreements, this index

CONTROL AT A PREMIUM

Operation of public companies, 13:6

CONVERSIONS

Initial financing, 7:17 to 7:29

Limited liability companies, 2:30

Operation of public companies, officers, directors and ten percent shareholders, 12:38

CONVERTIBLE ADJUSTABLE RATE PREFERRED STOCK (CARPS)

Initial financing, 7:36

CONVERTIBLE DEBENTURES

Initial financing, 4:8

CONVERTIBLE DEBT

Initial financing, 7:32

CONVERTIBLE EXCHANGEABLE PREFERRED STOCK (CEPS)

Initial financing, 7:35

CONVERTIBLE PREFERRED STOCK

Initial financing, 4:4, 7:33, 7:35, 7:36, App 7-A, App 7-B, App 7-C

COPYRIGHTS

General discussion, 9:6

Role of lawyer, 1:9

Semiconductor chips, 9:6

Written contracts, importance of, 9:8

CORPORATE CULTURES

General planning and approach, 10:20

CORPORATE PARTNERING

Second Round Financing, this index

CORPORATE TRANSPARENCY ACT

Formation of venture, 2:44

CORPORATIONS

General discussion, 2:21

“Check-the-box” regulations, 2:11

Close Corporations, this index

Directors, this index

Formation

General discussion, 2:3 et seq., App 2-I-A

Basic considerations, 2:4

“Check-the-box” regulations, 2:11

Self-employment tax issues, 2:12

Taxation, 2:6, 2:7, 2:12

Officers, this index

S Corporations, this index

Self-employment tax issues, 2:12

State of incorporation, selecting, 2:22

Taxation, 2:6, 2:7, 2:12

CO-SALE AGREEMENTS

Initial financing, App 7-F

COSTS AND EXPENSES

Corporation, formation of, 2:21

Initial Public Offerings, this index

COVENANTS NOT TO COMPETE

Noncompetition Agreements, this index

CRIMINAL PENALTIES

Insider Trading and Securities Fraud Enforcement Act of 1988, **12:51**

CROSS-PURCHASE AGREEMENTS

Agreements between founders, **App 3-K**

CROWDFUNDING

Generally, **6:6**

Advertising, **6:6.40.1, 6:6.40.2**

Covered securities under Section 18 of Securities Act of 1933, **6:3**

Exclusion of investors from shareholder cap, **6:3**

Exemption, **6:3**

Form C filing, **6:6.40.1, 6:6.40.2**

Funding portal, **6:3**

Intrastate equity crowdfunding, **6:9**

Investment limits, **6:6.10**

Offering limits, **6:6.10**

Offering statement, **6:6.30**

Portals, **6:6.20**

Reporting, ongoing, **6:6.41**

State law relationship, **6:3**

Title III of JOBS Act of 2012, **6:3**

CUMULATIVE VOTING

Agreements between founders, **3:2**

DEADLOCKS

Operation of public companies, **12:81, 12:83**

DEALERS

Representative, Distributor and Dealer Arrangements, this index

DEATH

Buy-out and buy-sell agreements, **3:5, App 3-J**

DEBT FINANCING

Second Round Financing, this index

DEBT/EQUITY COMBINATION

Initial Financing, this index

DEFECTS

Formation of venture, curing defects in stock issuances, **2:42**

DEFINITIONS

Emerging growth companies, **6:3**

Security, **6:2**

DEMAND RIGHTS

Initial financing, **7:14**

DEMO DAYS

Securities laws, **6:13**

DERIVATION PROCEEDING

Patents, **9:2**

DERIVATIVE SECURITIES

Operation of public companies, **12:14, 12:35**

DILUTION

Anti-dilution examples, **App 7-J**

Initial financing, **4:16**

Initial public offerings, SB-1 registration statement, **11:119**

DIRECTORIES

Angel investors, **App 5-B**

DIRECTORS

Corporations, formation of, **2:21**

Ethics, service by lawyer as director, **1:7**

Formation of venture, **2:35**

Indemnification agreement, **App 2-H**

Initial Public Offerings, this index

Liability, **2:40**

Operation of Public Companies, this index

Outside directors, **3:3**

Securities laws, liability, **6:22**

DISABLED PERSONS

Americans With Disabilities Act of 1990, **9:43**

DISCLOSURE

Confidentiality, this index

Emerging growth companies, **6:3**

Initial financing, **4:27**

Initial public offerings, Regulation A offering, **11:102**

Merger negotiations, **14:13**

Operation of public companies, **12:2, 12:19 to 12:31**

INDEX

DISCLOSURE—Cont'd
Securities laws, **6:3.50.1, 6:3.50.2, 6:5.50, 6:21.40, 12:27**

DISCRIMINATION
Title VII of the Civil Rights Act of 1964, **9:43**

DISSOLUTION
Operation of public companies, **13:8**

DISTRIBUTION
Initial public offerings, **11:121**

DISTRIBUTORS
Representative, Distributor and Dealer Arrangements, this index

DIVIDENDS
Preferred stock, **4:2**

DODD-FRANK ACT
Going public, **11:13**
Role of lawyer, **1:10**

DOWN ROUNDS
Second round financing, **10:13**

DRAG-ALONG RIGHTS
Initial financing, **7:24, App 7-F-1**

DRUG USE AND TESTING
Employee handbooks, **9:45**

DUE DILIGENCE
Formation of venture, **2:43**
Initial public offerings, **11:33, App 11-C**
Mergers and sales of companies, **14:28, App 14-I**

EARNINGS ANNOUNCEMENTS
Operating public companies
General discussion, **12:28 et seq.**
Code of ethics, **12:31**
Management's report on internal control over reporting, **12:29**
Officer certifications, **12:30**

EARNOUTS
Mergers and sales of companies, **14:19**

ECONOMIC EFFECT
Partnerships, taxation, **2:6**

EDGAR
Initial public offerings, electronic filing, **11:81**

EDUCATION
Role of lawyer, **1:1**

EFFECTIVENESS
Initial Public Offerings, this index

ELECTIONS
"Check-the-box" regulations, **2:11**
Compensation and stock incentives, key employees, **8:9**
Form of nonqualified stock option agreement, **App 8-B**
Initial financing, sale of equity, **4:6**
S corporations, **2:8**

EMERGING GROWTH COMPANIES
Auditing standards, **6:3**
Confidential submissions, **6:3**
Definitions, **6:3**
Disclosure obligations, **6:3**
Internal controls audit, **6:3**
Opt in right, **6:3**
Qualified institutional buyers, **6:3**
Reopening American Capital Markets to Emerging Growth Companies, Title I of JOBS Act of 2012, **6:3**
Research information about emerging growth companies, availability, **6:3**
Review of Regulation S-K, **6:3**
Title I of JOBS Act of 2012, **6:3**

EMOTIONAL DISTRESS, INFILCTION OF
Torts, **9:22**

EMPLOYEE BENEFITS
Limited liability companies, **2:10**
Partnerships, **2:10**

EMPLOYEE SHAREHOLDERS EXCLUSION
Private company flexibility and growth, **6:3**

EMPLOYEE STOCK PLANS
 Securities laws, Rules 701-703
 exemption, **6:10**

**EMPLOYEE'S RETIREMENT
 INCOME SECURITY ACT OF
 1974**
 General discussion, **9:43**

EMPLOYMENT
 General discussion, **9:43 et seq.**
 Age Discrimination in Employment
 Act of 1967, **9:43**
 Alcohol use and testing, employee
 handbooks, **9:45**
 Americans With Disabilities Act of
 1990, **9:43**
 Arbitration agreements, **9:46**
 At-will employment, **9:45, App 9-H**
 Benefits, employee handbooks, **9:45**
 Confidentiality, employee handbooks,
9:45
 Confidentiality agreements, **9:47,**
9:47.50
 Consolidated Omnibus Budget
 Reconciliation Act of 1986, **9:43**
 Contingent workers, wages and
 hours, **9:52**
 Drug use and testing, employee
 handbooks, **9:45**
 Employee handbooks, **9:45**
 Employee policies and agreements,
9:44 et seq.
 Employee's Retirement Income
 Security Act of 1974, **9:43**
 Equal employment opportunity,
 employee handbooks, **9:45**
 Executive compensation agreements,
9:48
 Exempt/nonexempt classifications,
 wages and hours, **9:51**
 Fair Credit and Reporting Act of
 1970, **9:43**
 Fair Labor Standards Act of 1938,
9:43
 Family Medical Leave Act of 1993,
9:43
 Federal statutes, generally, **9:43**
 Formation of venture, former
 employees of competitor, **2:2**

EMPLOYMENT—Cont'd
 Founders, **3:4, App 3-E, App 3-F**
 Freelancers, wages and hours, **9:52**
 Grievances, employee handbooks,
9:45
 Harassment, employee handbooks,
9:45
 Health and safety, **9:43, 9:45**
 Immigration Reform and Control Act
 of 1986, **9:43**
 Independent contractors, wages and
 hours, **9:50, 9:52**
 Insurance, **9:53 to 9:55**
 Liability insurance, **9:54**
 Mergers and sales of companies,
14:18
 Noncompete agreements, **9:47,**
9:47.50
 Occupational Safety and Health Act
 of 1970, **9:43**
 Performance appraisals, employee
 handbooks, **9:45**
 Privacy, employee handbooks, **9:45**
 Standards of conduct, employee
 handbooks, **9:45**
 Temporary workers, wages and
 hours, **9:52**
 Termination, employee handbooks,
9:45
 Termination of employment, **9:47.50**
 Title VII of the Civil Rights Act of
 1964, **9:43**
 Volunteers, wages and hours, **9:52**
 Wages and hours, **9:45, 9:49 to 9:52**
 Workers' compensation, **9:55**

ENGAGEMENT LETTER
 Beneficial Ownership Reports of US
 Formed Companies, **App 2-P**

ENTITY FORMATION
 General discussion, **2:41**

**EQUAL EMPLOYMENT
 OPPORTUNITY**
 Employee handbooks, **9:45**

EQUIPMENT
 Second round financing, **10:7**

INDEX

EQUITY FINANCING

Future, simple agreements, **4:8.1**
Second round financing, **10:12 et seq.**
Securities laws, intrastate equity crowdfunding, **6:9**

ERRORS AND OMISSIONS INSURANCE

Directors, **2:38**

ESCROW PROVISIONS

Securities laws, minimum-maximum offerings, **6:21.10**

ESTATE PLANNING

Initial public offerings, **11:11**

ETHICS

General discussion, **1:2 et seq.**
Conflicts of Interest, this index
Fees, **1:6, 1:7**
Finder's fees, **1:7**
Founders or business entity as client, **1:4**
Intermediary between clients, acting as, **1:8**
Letters regarding conflict of interest, **App 1-A, App 1-B, App 1-C**
Mergers and sales of companies, **14:11**
Officer or director, service by lawyer as, **1:5**
Stock or stock options for fees, **1:6**
Who is client, **1:4**

EXCESS PARACHUTE PAYMENT

Employment contracts for founders of business, **3:4**

EXCLUSION OF INVESTORS FROM SHAREHOLDER CAP

Crowdfunding, **6:3**

EXECUTIVE SUMMARY

Business plan, **2:3, App 2-B**
Initial financing, **App 5-C**

EXECUTIVES

Excessive compensation, **8:17**

EXEMPT OFFERINGS

Mergers and sales of companies, exchanges exempt under § 3(a)(10), **14:30**
Securities laws, **6:1 et seq.**

EXHIBITS

Initial public offerings, SB-1 registration statement, **11:140**

EXPENSES

Costs and Expenses, this index

EXPERTS

Initial public offerings, **11:126**

FACTORING

Second round financing, **10:9**

FAIR CREDIT AND REPORTING ACT OF 1970

General discussion, **9:43**

FAIR DEALING

Torts, **9:12**

FAIR LABOR STANDARDS ACT OF 1938

General discussion, **9:43**

FAMILY HOLDINGS

Operation of public companies, officers, directors and ten percent shareholders, **12:12**

FAMILY MEDICAL LEAVE ACT OF 1993

General discussion, **9:43**

FEDERAL PREEMPTION

Regulation D exemption, **6:5.90**

FEES

Attorneys' Fees, this index
Breakup fees, mergers and sales of companies, **14:6**
Contingent finder's fees, conflicts of interest, **1:7**
Finders' Fees, this index

FICTITIOUS NAMES

General discussion, **9:5**

FIDUCIARIES

Corporate directors and officers, **2:21**

FIDUCIARIES—Cont'd
Torts, **9:12**

FILING
Initial Public Offerings, this index

FINANCIAL STATEMENTS
Initial Public Offerings, this index
Securities Laws, this index

FINANCING
Initial Financing, this index
Initial Public Offerings, this index
Second Round Financing, this index
Simple agreements for future equity, **4:8.1**

FINDERS
Fees. Finders' Fees, this index
Initial financing, **5:20**
Mergers and sales of companies, **14:8, App 14-D**
Securities laws, use of non-registered finders, **6:13**

FINDERS' FEES
Ethics, **1:7**
Initial financing, **App 5-A**

FINRA RULE 6490
OTC bulletin board, **12:58**

FIRST REFUSAL, RIGHT OF
Initial financing, **App 7-F**
Initial public offerings, **11:25**

FIRST-INVENTOR-TO-FILE
Patents, **9:2**

FOREIGN LIMITED LIABILITY COMPANIES
General discussion, **2:32**

FOREIGN OFFERINGS
Securities laws, **6:8**

FORM C
Advertising offerings, prior to and after filing, **6:6.40.1, 6:6.40.2**

FORM 13D
Operation of public companies, Section 12(g) companies, **12:15**

FORM 13G
Operation of public companies, Section 12(g) companies, **12:16**

FORM OF CERTIFICATION
Operation of public companies, **App 12-I**

FORM S-3
Initial financing, registration, **7:15**
Operation of public companies, **12:32**
Securities laws, registration of restricted securities, **6:19**

FORMATION OF VENTURE
General discussion, **2:1 et seq.**
Board of directors, composition of, **2:38**
Business plan, **2:3, App 2-A, App 2-B, App 2-C**
Choice of entity, **2:4 et seq., App 2-J**
Common mistakes made by startups, **2:3**
Corporate Transparency Act, **2:44**
Corporations, this index
Defects in stock issuances, curing, **2:42**
Due diligence, **2:43**
Entity formation, **2:41**
Goals of founders, **2:2**
Limited Liability Companies, this index
Partnerships, this index
Restrictive agreements between founders and previous employers, **2:39**
Securities laws, **2:37**
Sole Proprietorships, this index
Stock, curing defects in issuances, **2:42**
Venture capital, **2:1, App 2-N**

FOUNDERS
Agreements Between Founders, this index
Mergers and sales of companies, **App 14-H**

FRAUD
Securities laws, **6:23, 6:24**

INDEX

FREELANCE EMPLOYEES
Wages and hours, **9:52**

FRINGE BENEFITS
Operation of public companies, **12:72**

FUNDING PORTAL
Crowdfunding, **6:3, 6:6.20**

GENERAL SOLICITATION AND ADVERTISING FOR EXEMPT OFFERINGS
Access to capital for job creators, **6:3**

GENERIC NAMES
Trademarks, **9:5**

GOOD FAITH
Torts, **9:12**

GOVERNMENT LENDERS
Second round financing, **10:11**

GRANT-BACK PROVISIONS
Antitrust law, **9:29**

GRIEVANCES
Employee handbooks, **9:45**

GUN-JUMPING
Initial public offerings, **11:32**

HANDBOOKS
Employment, **9:45**

HARASSMENT
Employee handbooks, **9:45**

HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976
Operation of public companies, **12:67**

HEALTH AND SAFETY
Employment, **9:43, 9:45**
Occupational Safety and Health Act of 1970, **9:43**

HIGH-YIELD DEBT
Second round financing, **10:15**

HOLDBACKS
Mergers and sales of companies, **14:20**

HOURS
Employment, **9:45, 9:49 to 9:52**

HYBRID PREFERRED STOCK
Initial financing, **4:5, 7:34 et seq.**

IMMIGRATION REFORM AND CONTROL ACT OF 1986
General discussion, **9:43**

IMPARTIALITY
Stock or stock options for fees, **1:6**

IN PUBLIC USE
Patent law, **9:2**

INCENTIVES
Compensation and Stock Incentives, this index

INCORPORATION
Initial financing, amended or restated certificate of incorporation, **App 7-D**
State of incorporation, selection of, **2:22**

INCUBATORS
Sources of financing, **5:18**

INDEMNIFICATION
Directors, **App 2-H**
Initial public offerings, **11:127, 11:136**
Officers, **App 2-H**

INDEPENDENT CONTRACTORS
Wages and hours, **9:50, 9:52**

INFORMAL FINANCING
Initial financing, **4:1**

INITIAL FINANCING
General discussion, **4:1 et seq., 5:1 et seq., 7:1 et seq.**
Affirmative covenants, **4:17, 7:8**
Amended capital-raising exemptions, overview, **App 6-B**
Amended certificate of incorporation, **App 7-D**
Antidilution formulas, **4:16**
Attorney's fees, **5:6**
Banks and savings and loan associations, **5:15**

INITIAL FINANCING—Cont'd

Board representation, **7:26**
 Broad-based weighted average antidilution provision, **7:18**
 Business angels, **5:16 to 5:18, App 5-B, App 5-E**
 Business associates as sources of financing, **5:16**
 Buy-sell agreement, retention of control, **4:20**
 Capital market, changes in, **5:12**
 Capital-raising, mistakes to avoid, **App 4-A**
 Collateral business arrangements, **4:22**
 Common stock, **4:2, 7:38**
 Conflicts of interest, **5:3**
 Control, retention of, **4:19 et seq., 7:11**
 Conversion and antidilution provisions, generally, **7:17 to 7:29**
 Convertible adjustable rate preferred stock (CARPS), **7:36**
 Convertible debentures, **4:8**
 Convertible debt, **7:32**
 Convertible exchangeable preferred stock (CEPS), **7:35**
 Convertible preferred stock, **4:4, 7:33, 7:35, 7:36, App 7-A, App 7-B, App 7-C**
 Co-sale agreement, **App 7-F**
 Covenants, **4:17, 7:8**
 Debt/equity combination
 General discussion, **4:8 et seq.**
 Convertible debentures, **4:8**
 Tax considerations, **4:10**
 Warrants, debentures with, **4:9**
 Demand rights, **7:14**
 Disclosure, **4:27**
 Dividend and liquidation preferences, **7:25**
 Documentation, role of issuer's counsel in seeking outside financing, **5:2**
 Drag-along provisions, sample, **App 7-F-1**
 Drag-along rights, **7:24**
 Executive Summary for Private Offering, **App 5-C**

INITIAL FINANCING—Cont'd

Financial considerations in determining type of financing, **4:14 et seq.**
 Financing memorandum, preparation of, **5:8**
 Finders, **5:20**
 Finder's fees, **App 5-A**
 First refusal, right of, **App 7-F**
 Friends as sources of financing, **5:16**
 Hybrid preferred stock, **4:5, 7:34 et seq.**
 Informal financing, **4:1**
 Internet portals, **5:18**
 Investment bankers, **5:7, 5:19**
 Investors Expect Ten Essential in a Business Plan, article by Martin C. Zwilling, **App 5-F**
 Investor's rights agreement, **App 7-E**
 Irrevocable proxies, **7:11**
 Joint ventures, **4:12**
 Leases, **4:23**
 Legal considerations in determining type of financing, **4:14 et seq.**
 Letters of intent, **4:25, 7:2, App 7-A**
 Licensing of product rights, **4:13**
 Limited partnerships, **7:41**
 Liquidation preferences, **7:16**
 Liquidity factors, **4:18**
 Market price antidilution provision, **7:21**
 Marketing partnerships, **4:21**
 Methods, **4:1 et seq.**
 Multiple adjustable rate preferred stock (MARPS), **7:37**
 Narrow-based weighted average antidilution provision, **7:19**
 Negative covenants, **4:17, 7:8**
 Negotiations
 General discussion, **7:1 et seq.**
 Affirmative covenants, **7:8**
 Amended certificate of incorporation, **App 7-D**
 Board representation, **7:26**
 Broad-based weighted average antidilution provision, **7:18**
 Combinations of securities, **7:39**
 Common stock, **7:38**

INDEX

INITIAL FINANCING—Cont'd

Negotiations—Cont'd
Comparison of various securities, **7:29 et seq.**
Conditions to closing, **7:9**
Control, change of, **7:11**
Convertible adjustable rate preferred stock (CARPS), **7:36**
Convertible debt, **7:32**
Convertible exchangeable preferred stock (CEPS), **7:35**
Convertible preferred stock, **7:33, App 7-C**
Co-sale agreement, **App 7-F**
Counsel, role of issuer's counsel in seeking outside financing, **5:2**
Covenants, **7:8**
Demand rights, **7:14**
Dividend and liquidation preferences, **7:25**
Drag-along rights, **7:24**
First refusal, right of, **App 7-F**
Hybrid preferred stock, **7:34 et seq.**
Investor's rights agreement, **App 7-E**
Irrevocable proxies, **7:11**
Letters of intent and term sheets, **7:2**
Limited partnerships, **7:41**
Market price antidilution provision, **7:21**
Multiple adjustable rate preferred stock (MARPS), **7:37**
Narrow-based weighted average antidilution provision, **7:19**
Negative covenants, **7:8**
Payment in kind securities, **7:40**
Piggyback rights, **7:13**
Procedural provisions, **7:10**
Protective provisions, **7:28**
Purchase of security, **7:6**
Ratchet antidilution provision, **7:20**
Redemption, **7:27**
Registration rights, **7:12 et seq.**
Representations, **7:7**

INITIAL FINANCING—Cont'd

Negotiations—Cont'd
Restated certificate of incorporation, **App 7-D**
Rights of first offer, **7:22**
Rights of first refusal and co-sale, **7:23**
S-3 registration, **7:15**
Straight debt, **7:30**
Strategy for negotiations, **7:4**
Valuation of company, **7:3**
Voting agreement, **App 7-G**
Voting agreements, **7:26**
Voting trusts, **7:11**
Warranties, **7:7**
Warrants, debt with, **7:31**
Other sources, **5:22**
Payment in kind securities, **7:40**
Piggyback rights, **7:13**
Planning, role of issuer's counsel in seeking outside financing, **5:2**
Preferred stock, **4:3**
Preliminary legal steps, **4:26**
Private offering, executive summary for, **App 5-C**
Protective provisions, **7:28**
Ratchet antidilution provision, **7:20**
Redemption, **7:27**
Registration rights, **7:12 et seq.**
Relatives as sources of financing, **5:16**
Representations, **7:7**
Research and Development Limited Partnerships, this index
Restated certificate of incorporation, **App 7-D**
Rights of first offer, **7:22**
Rights of first refusal and co-sale, **7:23**
S-3 registration, **7:15**
Sale of debt, **4:7**
Sale of equity
General discussion, **4:2 et seq.**
Common stock, **4:2**
Control, retention of, **4:19**
Convertible preferred stock, **4:4**
Hybrid preferred stock, **4:5**
Preferred stock, **4:3**

INITIAL FINANCING—Cont'd

Sale of equity—Cont'd
 Tax considerations, **4:6**
 Sample agreements, **7:42**
 Sample drag-along provisions, **App 7-F-1**
 Securities laws, sources of financing, **5:9**
 Security provisions, **4:15**
 Simple agreement, future equity, **4:8.1**
6 Hidden Reasons Why Investors Say Come Back Later, article by Martin C. Zwilling, **App 5-F**
 Small Business Innovation Research Grants, **5:21**
 Small Business Investment Act, **5:12**
 Sophisticated investors, **5:17, 5:18**
 Sources of financing
 General discussion, **5:1 et seq.**
 accelerators, **5:18**
 Attorney's fees, **5:6**
 Banks and savings and loan associations, **5:15**
 Business angels, **5:16 to 5:18, App 5-B, App 5-E**
 Capital market, changes in, **5:12**
 Conflicts of interest, **5:3**
 Financing memorandum, preparation of, **5:8**
 Finders, **5:20**
 Finder's fees, **App 5-A**
 incubators, **5:18**
 Internet portals, **5:18**
 Investment bankers, **5:7, 5:19**
 Investors Expect Ten Essential in a Business Plan, article by Martin C. Zwilling, **App 5-F**
 Investor's objectives, **5:11**
 Other sources, **5:22**
 Relatives, friends and business associates, **5:16**
 Role of issuer's counsel, **5:2**
 Securities laws, **5:9**
6 Hidden Reasons Why Investors Say Come Back Later, article by Martin C. Zwilling, **App 5-F**

INITIAL FINANCING—Cont'd

Sources of financing—Cont'd
 Small Business Innovation Research Grants, **5:21**
 Sophisticated investors, **5:17, 5:18**
 Swilling, Martin C., **App 5-F**
 Tax considerations, **5:10**
 Team approach, **5:5**
 "The People's Bank," **App 5-D**
 Time that company's counsel should be brought into financing process, **5:4**
 Venture capital funds, **5:13**
 Statutory restrictions, **4:24**
 Straight debt, **7:30**
 Strategy for negotiations, **7:4**
 Subordination agreements, **4:7.50, App 4-B**
 Subordination provisions, **4:15**
 Taxation
 Debt/equity combination, **4:10**
 Sale of equity, **4:6**
 Sources of financing, **5:10**
 Term sheets, **7:2, App 7-B**
 "The People's Bank," **App 5-D**
 Valuation of company, **7:3**
 Venture capital funds, **5:13**
 Voting agreement, **App 7-G**
 Voting agreements, **7:26**
 Voting trusts, **7:11**
 Warranties, **7:7**
 Warrants, debentures with, **4:9**
 Warrants, debt with, **7:31**

INITIAL PUBLIC OFFERINGS

Abandoned offerings, integration of, **11:152**
 Acceleration request, filing requirements, **11:42**
 Accountants, right to approve, **11:26**
 Accounting
 General discussion, **11:82 et seq.**
 Changes in and disagreements with accountants, **11:136**
 Compilation and review reports for interim periods, **11:90**
 Computer software development costs, **11:91**

INDEX

INITIAL PUBLIC OFFERINGS

—Cont'd

- Accounting—Cont'd
 - Financial statements, inclusion of all required, **11:83**
 - Intangible assets acquired by research and development funding, **11:89**
 - Pooling versus. purchase, **11:87**
 - Predecessor financial statements, **11:84**
 - Premature revenue recognition, **11:93**
 - Promotional stock, **11:94**
 - Qualified auditor's reports, **11:86**
 - Related party transactions, **11:88**
 - Subsidiaries, financial statements of acquired, **11:85**
 - Waiver of salaries, **11:92**
- Acquisitions, use of stock for, **11:4**
- Advantages of going public
 - General discussion, **11:2 et seq.**
 - Acquisitions, use of stock for, **11:4**
 - Additional financing, ability to obtain, **11:3**
 - Comparative analysis of public vs. private offering, **App 11-A**
 - Insiders, value to, **11:5**
 - Key executives, attraction of, **11:6**
 - Valuation of stock, higher, **11:2**
- All-hands meeting, **11:31**
- Alternative financing, **11:15**
- Amount of securities offered, letter of intent, **11:21**
- Backlog information, drafting registration statement, **11:56**
- Blue sky qualification
 - General discussion, **11:36 et seq.**, **11:74**
 - Cheap stock, **11:37**
 - Disadvantages of going public, **11:12**
 - Promotional shares, **11:37**
- Budgeting for costs, registration, **11:70**
- Calendar, importance of, **11:76**
- Capital structure, drafting registration statement, **11:61**

INITIAL PUBLIC OFFERINGS

—Cont'd

- Cheap stock, blue sky qualification, **11:37**
- Cleaning up corporation, registration, **11:71**
- Closing, **11:46**
- Comparative analysis of public vs. private offering, **App 11-A**
- Competition, drafting registration statement, **11:57**
- Compilation and review reports for interim periods, accounting, **11:90**
- Computer software development costs, accounting, **11:91**
- Confidential treatment, drafting registration statement, **11:63**
- Contents of Form S-1, registration statement, **11:113**
- Control, possibility of loss of, **11:10**
- Control persons, SB-2 registration statement, **11:123**
- Costs and expenses
 - Disadvantages of going public, **11:9**
 - Estimation, **11:70**
- Issuance and distribution, SB-2 registration statement, **11:138**
- Letter of intent, **11:23**
- Counsel, right to approve, **11:26**
- Description of business, SB-1 registration statement, **11:129**
- Description of property, SB-1 registration statement, **11:131**
- Description of securities, SB-1 registration statement, **11:125**
- Dilution, SB-1 registration statement, **11:119**
- Directors
 - Right to designate, **11:27**
 - SB-1 registration statement, **11:123**
- Disadvantages of going public
 - General discussion, **11:7 et seq.**
 - Blue sky laws, **11:12**
 - Comparative analysis of public vs. private offering, **App 11-A**

INITIAL PUBLIC OFFERINGS**—Cont'd**

Disadvantages of going public
—Cont'd
Control, possibility of loss of,
11:10
Estate planning and taxes, **11:11**
Expenses, **11:9**
"Fishbowl," operating in, **11:7**
Transfers by insiders, restrictions
on, **11:8**
Disclosure requirements, Regulation
A offering, **11:102**
Disqualifying provisions, Regulation
A offering, **11:101**
Distribution, plan of, **11:121**
Dodd-Frank Act effect, **11:13**
Drafting registration statement
General discussion, **11:52 et seq.**
Backlog information, **11:56**
Capital structure, **11:61**
Certain transactions, **11:59**
Competition, **11:57**
Confidential treatment, **11:63**
Executive compensation, **11:58**
Future sale, shares eligible under
Rule 144, **11:60**
Major customers, identification of,
11:64
Management's discussion and
analysis, **11:55**
New products or marketing plans,
11:65
Proceeds, use of, **11:54**
Projections, **11:62**
Risk factors, **11:53**
Due diligence, **11:33**, App **11-C**
EDGAR, electronic filing, **11:81**
Effect of the Jumpstart Our Business
Startups (JOBS) Act, **11:14**
Effectiveness and the posteffective
period
Closing, **11:46**
Estate planning, disadvantages of
going public, **11:11**
Executive compensation, registration
statement, **11:58**, **11:134**
Exhibits, SB-1 registration statement,
11:140

INITIAL PUBLIC OFFERINGS**—Cont'd**

Expenses. Costs and expenses, above
Experts and counsel, interests of
named, **11:126**
Fees, letter of intent, **11:23**
Filing requirements
General discussion, **11:35 et seq.**
Acceleration request, **11:42**
Blue sky qualification, above
EDGAR, electronic filing, **11:81**
Expediting filing requirements,
11:80
FINRA, filing with, **11:38**
Introductory telephone call, filing
and waiting period, **11:79**
Meetings with broker-dealers,
11:41
Recirculation of preliminary pro-
spectus, **11:43**
Rule 134 publicity and broker-
dealer marketing efforts,
11:39
SEC comments and preeffective
amendments, **11:40**
Final offering circular, Regulation A
offering, **11:105**
Financial disclosure, changes in and
disagreements with accountants
on, **11:136**
Financial statements
Accounting, **11:83**
Regulation A offering, **11:103**
SB-1 registration statement,
11:135
FINRA, filing with, **11:38**
First refusal, right of, **11:25**
"Fishbowl," operating in, **11:7**
Future sale, shares eligible under
Rule 144, **11:60**
Governing rules and regulations
General discussion, **11:143 et seq.**
Registration form, **11:144**
Regulation A, **11:149**
Regulation C, **11:150**
Regulation S-K, **11:146**
Regulation S-X, **11:147**
SEC releases and no-action letters,
11:151

INDEX

INITIAL PUBLIC OFFERINGS

—Cont'd

- Governing rules and regulations
 - Cont'd
 - SEC rules, **11:148**
 - Gun-jumping, **11:32**
 - Indemnification, **11:127, 11:136**
 - Insiders, value to, **11:5**
 - Intangible assets acquired by research and development funding, accounting, **11:89**
 - Integration
 - Abandoned offerings, **11:152**
 - Introductions to IPOs, **11:1 et seq.**
 - JOBS Act
 - Methods of public offering, **11:95**
 - Title IV Regulation A offering.
 - Regulation A offering, below
 - Jumpstart Our Business Startups (JOBS) Act effect, **11:14**
 - Key executives, attraction of, **11:6**
 - Legal proceedings, SB-2 registration statement, **11:122**
 - Letter of intent
 - General discussion, **11:18 et seq.**
 - Amount of securities offered, **11:21**
 - Counsel and accountants, right to approve, **11:26**
 - Directors, right to designate, **11:27**
 - Fees and expenses, **11:23**
 - First refusal, right of, **11:25**
 - Market-related conditions, **11:29**
 - Price range, **11:20**
 - Registration, **11:73**
 - Special terms, **11:25 to 11:27**
 - Standard conditions, **11:24**
 - Timing of offering, **11:28**
 - Type of underwriting, **11:22**
 - Underwriting, **11:22**
 - Usual terms, **11:19 et seq.**
 - Major customers, identification of, **11:64**
 - Management's discussion and analysis, **11:55, 11:130**
 - Market for common equity and related stockholder matters, SB-1 registration statement, **11:133**

INITIAL PUBLIC OFFERINGS

—Cont'd

- Market-related conditions, letter of intent, **11:29**
- Meetings with broker-dealers, filing requirements, **11:41**
- Memorandum, selection of underwriter, **11:17**
- NASDAQ listing and registration under § 12(b), **11:50**
- New products or marketing plans, drafting registration statement, **11:65**
- Offering price, **11:118**
- Officers, SB-1 registration statement, **11:123**
- Page-by-page review, registration, **11:78**
- Pooling versus. purchase, accounting, **11:87**
- Postclosing matters, **11:49**
- Posteffective amendments and stickers, **11:48**
- Predecessor financial statements, accounting, **11:84**
- Prefiling period
 - General discussion, **11:31 et seq.**
 - All-hands meeting, **11:31**
 - Due diligence, **11:33, App 11-C**
 - Gun-jumping, **11:32**
 - Timetable, **11:31**
 - Type of form to use, **11:34**
- Preliminary offering circular, Regulation A offering, **11:104**
- Premature revenue recognition, accounting, **11:93**
- Price range, letter of intent, **11:20**
- Pricing amendment, **11:45**
- Proceeds, use of, **11:54, 11:117**
- Projections, drafting registration statement, **11:62**
- Promotional shares, **11:37, 11:94**
- Promotions, SB-1 registration statement, **11:123**
- Prospectus filing and delivery requirement, **11:47**
- Public vs. private offering, **App 11-A**
- Publicity, monitoring of, **11:77**
- Qualified auditor's reports, **11:86**

INITIAL PUBLIC OFFERINGS**—Cont'd**

Questionnaires to officers and directors, registration, **11:75**
 Recirculation of preliminary prospectus, **11:43**
 Registration
 General discussion, **11:30 et seq.**
 Blue sky process, **11:74**
 Blue sky qualification, above
 Budgeting for costs, **11:70**
 Calendar, importance of, **11:76**
 Cleaning up corporation, **11:71**
 Comparing registration statements of similar issuers, **11:66**
 Costs, estimation of, **11:70**
 Drafting registration statement, above
 Early start, **11:67**
 Effectiveness and the posteffective period, above
 Expediting process, **11:51 et seq.**
 Filing requirements, above
 Letter of intent, **11:73**
 Page-by-page review, **11:78**
 Prefiling period, above
 Publicity, monitoring of, **11:77**
 Questionnaires to officers and directors, **11:75**
 Selection of registration team, **11:68**
 Telephone conference with SEC branch chief or staff attorney who will review filing, **11:72**
 Underwriter, selection of, **11:69**
 Registration process, effectiveness and the posteffective period
 General discussion, **11:44 et seq.**
 closing, **11:46**
 effective date, **11:44**
 Effective date, **11:44**
 NASDAQ listing and registration under § 12(b), **11:50**
 Postclosing matters, **11:49**
 Posteffective amendments and stickers, **11:48**
 Pricing amendment, **11:45**
 Prospectus filing and delivery requirement, **11:47**

INITIAL PUBLIC OFFERINGS**—Cont'd**

Registration process, effectiveness and the posteffective period
 —Cont'd
 registration process, **11:44**
 Regulation A offering
 General discussion, **11:149**
 Disclosure requirements, **11:102**
 Disqualifying provisions, **11:101**
 Final offering circular, **11:105**
 Financial statements, **11:103**
 Preliminary offering circular, **11:104**
 Sales material, filing of, **11:108**
 Substantial compliance, **11:107**
 Test the waters provisions, **11:106**
 Trust Indenture Act, **11:109**
 Regulation A offerings, **11:16**
 Regulation C, **11:150**
 Regulation S-K, **11:146**
 Regulation S-X, **11:147**
 Related party transactions, accounting, **11:88**
 Reporting requirements under Exchange Act, **11:110**
 Risk factors, drafting registration statement, **11:53**
 Rule 134 publicity and broker-dealer marketing efforts, **11:39**
 Sales material, Regulation A offering, **11:108**
 Sarbanes-Oxley Act effect, **11:13**
 SB-1 registration statement
 Accounting and financial disclosure, changes in and disagreements with accountants on, **11:136**
 Certain relationships and related transactions, **11:132**
 Description of property, **11:131**
 Description of securities, **11:125**
 Dilution, **11:119**
 Directors, executive officers, promotions and control persons, **11:123**
 Distribution, plan of, **11:121**
 Executive compensation, **11:134**
 Exhibits, **11:140**

INDEX

INITIAL PUBLIC OFFERINGS

—Cont'd

- SB-1 registration statement—Cont'd
 - Expenses of issuance and distribution, **11:138**
 - Experts and counsel, interests of named, **11:126**
 - Financial statements, **11:135**
 - Front of registration statement and outside front cover of prospectus, **11:114**
 - Indemnification for Securities Act liabilities, disclosure of commission position on, **11:127**
 - Indemnification of officers and directors, **11:137**
 - Inside front and outside back cover of prospectus, **11:115**
 - Legal proceedings, **11:122**
 - Market for common equity and related stockholder matters, **11:133**
 - Offering price, determination of, **11:118**
 - Organization within last 5 years, **11:128**
 - Part I, **11:114 et seq.**
 - Part II, **11:137 et seq.**
 - Proceeds, use of, **11:117**
 - Recent sales of unregistered securities, **11:139**
 - Selling security holders, **11:120**
 - Signatures, **11:142**
 - Summary information and risk factors, **11:116**
 - Undertakings, **11:141**
- SB-2 registration statement
 - Description of business, **11:129**
 - Management's discussion and analysis or plan of operation, **11:130**
 - Security ownership of certain beneficial owners and management, **11:124**
- SCOR legislation, **11:112**
- SEC comments and preeffective amendments, **11:40**
- SEC releases and no-action letters, **11:151**

INITIAL PUBLIC OFFERINGS

—Cont'd

- SEC rules, **11:148**
- Selection of registration team, **11:68**
- Self-underwriting, **11:17**
- Signatures, SB-1 registration statement, **11:142**
- Small business initiatives
 - Regulation A offering, above
 - Reporting requirements under Exchange Act, **11:110, 11:111**
 - SB-2 registration statement, above
 - State SCOR legislation, **11:112**
 - Transitional small business issuer, reporting requirements under Exchange Act, **11:111**
- State SCOR legislation, **11:112**
- Subsidiaries, financial statements of acquired, **11:85**
- Substantial compliance, Regulation A offering, **11:107**
- Summary information and risk factors, SB-2 registration statement, **11:116**
- Taxes, disadvantages of going public, **11:11**
- Telephone conference with SEC branch chief or staff attorney who will review filing, **11:72**
- Test the waters provisions, Regulation A offering, **11:106**
- Timetable, **11:31, App 11-B**
- Timing of offering, letter of intent, **11:28**
- Transfers by insiders, restrictions on, **11:8**
- Transitional small business issuer, reporting requirements under Exchange Act, **11:111**
- Trust Indenture Act, Regulation A offering, **11:109**
- Undertakings, SB-1 registration statement, **11:141**
- Underwriter, selection of, **11:17, 11:69**
- Underwriting, letter of intent, **11:22**
- Valuation of stock, advantages of going public, **11:2**
- Waiver of salaries, accounting, **11:92**

INSIDER TRADING

General discussion, **12:44 et seq.**
Attorney's memorandum outlining liability, **App 12-F, App 12-G**
Compliance procedures, **12:50**
Criminal penalties, Insider Trading and Securities Fraud Enforcement Act of 1988, **12:51**
Insider Trading and Securities Fraud Enforcement Act of 1988, **12:48 to 12:51**
Insider Trading Sanctions Act of 1984, **12:47**
Liability to purchasers, **12:50**
Pension fund blackout periods, **12:45**
Persons liable under Insider Trading and Securities Fraud Enforcement Act of 1988, **12:49**
Policy statement on prevention of insider trading, **App 12-H**
Purchasers, liability of, **12:50**
Rules 10b-5, 10b5-1 and 10b5-2, **12:46**
Securities Enforcement Remedies and Penny Stock Reform Act of 1990, **12:52**

INSURANCE

Employment, **9:53 to 9:55**
Liability Insurance, this index
Operation of public companies, **12:71**

INTANGIBLE ASSETS

Initial public offerings, research and development funding, **11:89**

INTEGRATION

Initial Public Offerings, this index
Securities laws, **6:11**

INTELLECTUAL PROPERTY

General discussion, **9:1 et seq.**
Copyrights, this index
Servicemarks. Trademarks and Servicemarks, this index
Trade Names, this index
Trade Secrets, this index
Trademarks, this index

INTERFERENCE

Patents, **9:2**

INTERFERENCE WITH CONTRACTUAL RELATIONS

Torts, **9:12, 9:22**

INTERFERENCE WITH PROSPECTIVE ADVANTAGE

Torts, **9:12, 9:21**

INTERNAL CONTROLS AUDIT

Emerging growth companies, **6:3**

INTERNET PORTALS

Initial financing, **5:18**
Operating public companies, social media, **12:27**
Securities laws, use of Internet matchmaking portals, **6:13**

INTRASTATE OFFERINGS

Securities laws, **6:9**

INVENTIONS

Employees, **App 3-H, App 3-I**
Formation of venture, restrictive agreements between founders and previous employers, **2:39**
Founders, **3:6, App 3-G-1, App 3-G-2**
Patents, this index

INVENTORY

Second round financing, **10:6**

INVESTMENTS

Limits, crowdfunding, **6:6.10**
Stock or stock options for fees, **1:6**

INVESTORS

Formation of venture, sales to nonaccredited investors, **2:2**

IRREVOCABLE PROXIES

General discussion, **3:2, App 3-C**
Initial financing, **7:11**

ISSUANCE OF STOCK

Formation of venture, curing defects in stock issuances, **2:42**

ISSUER'S EXEMPTION

Securities laws, **6:15**

JOBS ACT

General discussion, **6:3**

INDEX

JOBS ACT—Cont'd
General qualifications, Dollar ceiling, **11:96**
Initial public offerings, **11:95**
Integration
 Regulation A offering, **11:99**
JOBS Act
 SEC filing and Staff review, **11:98**
Methods, public offering, **11:100**
Regulation A offering
 Integration, **11:99**
 SEC filing and Staff review, **11:98**
 Title IV, general discussion, **11:99 et seq.**
 Type of issuer, **11:100**
Title IV Regulation A offering, **11:95 et seq.**

JOINT VENTURES
Initial financing, **4:12**
Limited liability companies, **2:34**

JUMPSTART OUR BUSINESS STARTUPS (JOBS) ACT OF 2012
General discussion, **6:3**
Initial public offerings, **11:14**

KEY EMPLOYEES
Compensation and Stock Incentives, this index

LAPSE RESTRICTIONS
Initial financing, sale of equity, **4:6**

LEASES
Initial financing, **4:23**
Second round financing, **10:10**

LEGAL OPINIONS
Securities laws, liability of lawyers and accountants, **6:26.20**

LETTERS OF INTENT
Initial financing, **4:25, 7:2, App 7-A**
Initial Public Offerings, this index
Limited partnerships, **App 2-M**
Mergers and sales of companies, **14:7, App 14-C**

LIABILITY INSURANCE
Directors, **2:38**

LIABILITY INSURANCE—Cont'd
Employment, **9:54**

LIABILITY OF DIRECTORS AND OFFICERS
Securities laws, **6:22**

LIABILITY OF LAWYERS AND ACCOUNTANTS
Securities Laws, this index

LICENSING
Initial financing, **4:13**

LIMITED LIABILITY COMPANIES
General discussion, **2:22 et seq.**
Checklist for operating agreements, **App 2-K-A**
"Check-the-box" regulations, **2:11**
Conversion, **2:30**
Employee benefits, **2:10**
Foreign limited liability companies, **2:32**
Formation
 General discussion, **2:4 et seq., 2:24, App 2-I-B**
 Basic considerations, **2:4**
 "Check-the-box" regulations, **2:11**
 Employee benefits, **2:10**
 Operating agreements, **App 2-K, App 2-L-A, App 2-L-B**
 Self-employment tax issues, **2:12**
 Taxation, **2:9, 2:12**
Governance provisions, **2:29**
Information letter to clients, Firm not providing reporting services
 CTA, **App 2-O**
Joint venture, use of limited liability company for, **2:34**
Limited liability, generally, **2:28**
Limited partnership, limited liability company as general partner of, **2:35**
Members, **2:27**
Operating agreements, **App 2-K, App 2-K-A, App 2-L-A, App 2-L-B**
Requirements, **2:26**
Selection of state statute, **2:33**
Self-employment tax issues, **2:12**

LIMITED LIABILITY COMPANIES—Cont'd
 Taxation, **2:9, 2:12**
 Transfer of interests, **2:31**

LIMITED LIABILITY COMPANIES CHARACTERISTICS
 Goal, **2:23**

LIMITED LIABILITY PARTNERSHIPS
 General discussion, **2:36**

LIMITED PARTNERSHIPS
 Initial financing, **7:41**
 Letter of intent and term sheet, **App 2-M**
 Limited liability companies, **2:35**
 Marketing partnerships, initial financing, **4:21**
 Partnership agreement, **App 2-F**
 Research and Development Limited Partnerships, this index

LIQUIDATION PREFERENCES
 Initial financing, **7:16**

LIQUIDITY FACTORS
 Initial financing, **4:18**

LOCK-UP AGREEMENTS
 Mergers and sales of companies, **14:6**

LOG
 Offering log, XYZ Technology Inc. v. Offering Log, **App 6-C**

LONG TERM EMPLOYMENT CONTRACTS
 Founders of business, agreements of, **3:4**

MALPRACTICE
 Officer or director, service by lawyer as, **1:7**

MANAGEMENT STRUCTURE
 Corporations, formation of, **2:21**
 Formation of venture, choice of form of entity, **2:4**

MANUFACTURING FACILITIES
 General discussion, **9:56 et seq.**

MANUFACTURING FACILITIES—Cont'd
 Definition of lease, **9:57**
 I.R.C. Section 467, **9:59**
 Options to purchase, **9:60**
 Purchase vs. lease, **9:58 et seq.**

MARKETING PARTNERSHIPS
 Initial financing, **4:21**

MASK WORKS
 Semiconductor chips, **9:6**

MATCHMAKERS
 Securities laws, use of online matchmaking portals, **6:13**

MEDICAL LEAVE
 Family Medical Leave Act of 1993, **9:43**

MEMBERS
 Limited liability companies, **2:27**

MERGERS AND SALES OF COMPANIES
 General discussion, **14:1 et seq.**
 Acquisitions, representation of buyer, **14:31**
 Asset purchase agreement, **App 14-G**
 Attorneys, ethical considerations, indemnification provisions, **14:21**
 Boot, taxation, **14:25**
 Breakup fees, **14:6**
 Business purpose test, **14:26**
 Buyers
 Checklist, sale of company, **App 14-K**
 Representation in acquisition, **14:31**
 Continuity of business enterprise, **14:26**
 Continuity of ownership, **14:26**
 Control, sale of, **14:3**
 Corporations, formation of, **2:21**
 Covenants not to compete, **14:17**
 Disclosure of merger negotiations, **14:13**
 Due diligence, **14:28, App 14-I**
 Earnouts, **14:19**

INDEX

MERGERS AND SALES OF COMPANIES—Cont'd

- Employment agreements, **14:18**
- Ethical considerations for attorneys, **14:11**
- Exchanges exempt under § 3(a)(10), **14:30**
- Finder's agreements, **14:8**, App **14-D**
- Forms of reorganization, **14:24**
- Founder's checklist for sale or retention of company, App **14-H**
- Holdbacks, **14:20**
- Judicial requirements, **14:26**
- Letters of intent, **14:7**, App **14-C**
- Lock-up agreements, **14:6**
- Nondisclosure agreements, **14:4**, App **14-A**
- Notification under Hart-Scott-Rodino Antitrust Improvements Act of 1976, **14:9**
- Proxy rules, **14:16**
- Purchase options, **14:5**, App **14-B**
- Registration rights, **14:22**
- Representation of buyer in acquisition, **14:31**
- Representations and warranties, survival, **14:20.1**
- Restrictive agreements, **14:2**
- Retention or sale of company, founder's checklist, App **14-H**
- Rule 145 transactions, **14:14**
- Sale of company
 - Buyer's checklist, App **14-K**
 - Founder's checklist, App **14-H**
 - Seller's checklist, App **14-J**
- Sale of "stock," **14:12**
- Sale or retention of company, founder's checklist, App **14-H**
- Securities laws
 - General discussion, **14:10 et seq.**
 - Covenants not to compete, **14:17**
 - Disclosure of merger negotiations, **14:13**
 - Earnouts, **14:19**
 - Employment agreements, **14:18**
 - Ethical considerations for attorneys, **14:11**
 - Holdbacks, **14:20**
 - Proxy rules, **14:16**

MERGERS AND SALES OF COMPANIES—Cont'd

- Securities laws—Cont'd
 - Registration rights, **14:22**
 - Rule 145 transactions, **14:14**
 - Sale of "stock," **14:12**
 - Short-swing profits, **14:15**
 - Special stock provisions, **14:19 to 14:22**
- Seller's checklist, sale of company, App **14-J**
- Short-swing profits, **14:15**
- Statutory merger agreement, App **14-E**
- Stock purchase agreement, App **14-F**
- Survival, representations and warranties, **14:20.1**
- Tax considerations, **14:23 to 14:25**, **14:27**
- Valuation, **14:1.1**

MINIMUM-MAXIMUM OFFERINGS

Securities Laws, this index

MISREPRESENTATION

Securities laws, **6:23**, **6:24**

MONOPOLIES

Antitrust Law, this index

MULTIPLE ADJUSTABLE RATE PREFERRED STOCK (MARPS)

Initial financing, **7:37**

NASDAQ

Initial public offerings, listing and registration under § 12(b), **11:50**
Operation of public companies, **12:55 to 12:58**, App **12-B**

NEGOTIATIONS

Initial Financing, this index
Second round financing, **10:2**, **10:22**

NET WORTH

Securities laws, definition of accredited investor, **6:5.30**

NEUTRAL SCRIBE

Intermediary between clients, acting as, **1:8**

NONCOMPETITION AGREEMENTS

- Employment, **9:47, 9:47.50**
- Formation of venture, restrictive agreements between founders and previous employers, **2:39**
- Mergers and sales of companies, **14:17**

NONLAPSE RESTRICTIONS

- Compensation and stock incentives, **8:5**

NON-REGISTERED FINDERS

- Securities laws, **6:13**

NOTICE

- Mergers and sales of companies, Hart-Scott-Rodino Antitrust Improvements Act of 1976, **14:9**

OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

- General discussion, **9:43**

OFFERING LOG

- XYZ Technology Inc. v. Offering Log, securities, **App 6-C**

OFFICERS

- Corporations, formation of, **2:21**
- Ethics, service by lawyer as officer, **1:5**
- Indemnification agreement, **App 2-H**
- Initial public offerings, SB-1 registration statement, **11:123**
- Operation of Public Companies, this index
- Securities laws, liability, **6:22**

ON SALE

- Patent law, **9:2**

OPERATING AGREEMENTS

- Limited liability companies, **App 2-K, App 2-K-A, App 2-L-A, App 2-L-B**

OPERATION OF PUBLIC COMPANIES

- General discussion, **12:1 et seq., 13:1 et seq.**

OPERATION OF PUBLIC COMPANIES—Cont'd

- Acquisition of other businesses
- General discussion, **12:64 et seq.**
- Corporate and securities issues, **12:66**
- Hart-Scott-Rodino Antitrust Improvements Act of 1976, **12:67**
- Tax issues, **12:65**
- Annual reports on Form 10-K, **12:6**
- Annual reports to shareholders, Section 12(g) companies, **12:18**
- Attorney standards of professional conduct, “up the ladder” reporting, **12:84**
- Attorney’s letter outlining issuer’s obligations under Exchange Act, **App 12-E**
- Business judgment rule, **12:79**
- Buyouts, resolution of conflicts and breaking of deadlocks, **12:83**
- Capital raising, smaller company, **12:2**
- Certification, form of, **App 12-I**
- Compensation. Executive compensation, below
- Control at a premium, sale of, **13:6**
- Control of management
- General discussion, **12:74 et seq.**
- Business judgment rule, **12:79**
- Deadlocks, **12:83**
- Early prevention of conflicts, importance of, **12:82**
- Majority control, **12:78**
- Preventive measures, **12:75**
- Remedies of the squeezee, **12:80**
- Squeeze-out techniques, **12:76 et seq.**

Conversions, officers, directors and ten percent shareholders, **12:38**

Deadlocks, control of management, **12:83**

Derivative securities, **12:14, 12:35**

Directors. Officers, directors and ten percent shareholders, below

Disclosure controls and procedures, **12:19 to 12:31**

INDEX

OPERATION OF PUBLIC COMPANIES—Cont'd

Disclosure requirements, smaller company, **12:2**
Dissolution of company, **13:8**
Executive compensation
 General discussion, **12:68 et seq.**
 Fringe benefits, **12:72**
 Insurance benefits, **12:71**
 Limit on deductible compensation, **12:73**
 Nonqualified deferred compensation plans, **12:70**
 Qualified retirement plans, **12:69**
Exercises, officers, directors and ten percent shareholders, **12:38**
Family holdings, officers, directors and ten percent shareholders, **12:12**
Form 13D, Section 12(g) companies, **12:15**
Form 13G, Section 12(g) companies, **12:16**
Form of certification, **App 12-I**
Form of seller's representation letter, **App 13-A**
Form S-3 eligibility rule proposals, **12:32**
Fringe benefits, **12:72**
Full disclosure, Regulation FD, **12:27**
Hart-Scott-Rodino Antitrust Improvements Act of 1976, **12:67**
Insider Trading, this index
Insurance benefits, **12:71**
Majority control, **12:78**
Matching, officers, directors and ten percent shareholders, **12:40**
NASDAQ market and exchange listings, **12:55 to 12:58, App 12-B**
Nonqualified deferred compensation plans, **12:70**
Officers, directors and ten percent shareholders
 General discussion, **12:33 et seq.**
 Corporate holdings, pecuniary interest, **12:12**
 "Derivative securities," **12:35**
 Exclusions, **12:36**
 Exercises and conversions, **12:38**

OPERATION OF PUBLIC COMPANIES—Cont'd

Officers, directors and ten percent shareholders—Cont'd
 Family holdings, pecuniary interest, **12:12**
 Matching, **12:40**
 Partnerships, pecuniary interest, **12:12**
 Pecuniary interest, reporting requirements, **12:12**
 Profits, **12:41, 12:42**
 Purchase, **12:39**
 Questionnaire for directors, officers and five percent or more shareholders, **App 12-C**
 Reporting requirements, Section 16(a), **12:12 to 12:14**
 Shared interests, pecuniary interest, **12:12**
 Short-swing profits, **12:34 et seq.**
 Short-term options, profits on, **12:42**
 Third-party options, **12:37**
 Transactions between issuer and its directors or officers, **12:43**
 Trusts, pecuniary interest, **12:12**
OTC bulletin board, eligibility requirements, **12:58**
Partnerships, officers, directors and ten percent shareholders, **12:12**
Pecuniary interest, officers, directors and ten percent shareholders, **12:12**
Penalties for failure to file periodic reports, **12:20**
Periodic reports on Form 8-K, **12:8**
Premium, sale of control at, **13:6**
Preventive measures, control of management, **12:75**
Private sale, **13:5**
Privately held company, valuation of, **13:10**
Proxy material, Section 12(g) companies, **12:17**
Qualified retirement plans, **12:69**
Quarterly reports on Form 10-Q, **12:7**
Questionnaire for directors, officers and five percent or more

OPERATION OF PUBLIC COMPANIES—Cont'd

- shareholders, **App 12-C**
- Regulation FD, **12:27**
- Reporting requirements
 - General discussion, **12:1 et seq.**
 - Annual reports on Form 10-K, **12:6**
 - Annual reports to shareholders, Section 12(g) companies, **12:18**
 - Attorney's letter outlining issuer's obligations under Exchange Act, **App 12-E**
 - Derivative securities, Section 16(a) reports, **12:14**
 - Form 13D, Section 12(g) companies, **12:15**
 - Form 13G, Section 12(g) companies, **12:16**
 - NASDAQ market listing, **12:55**
 - Officers, directors and ten percent shareholders, **12:12 to 12:14**
 - Penalties for failure to file periodic reports, **12:20**
 - Periodic reports on Form 8-K, **12:8**
 - Proxy material, Section 12(g) companies, **12:17**
 - Quarterly reports on Form 10-Q, **12:7**
 - Section 12(b) companies, **12:4.50**
 - Section 12(g) companies, **12:4, 12:11 et seq., App 12-A**
 - Section 15(d) companies, **12:3, 12:5 to 12:8**
 - Section 16(a) reports, Section 12(g) companies, **12:12 to 12:18**
 - Selective disclosure, **12:27**
 - Smaller reporting companies, **12:10**
 - Restructuring, **13:9**
 - Rule 14a-19: "Universal" proxy cards, **12:17.50**
 - Rule 144 sales, **13:2**
 - Sale of control at a premium, **13:6**
 - Section 12(b) companies, **12:4.50**
 - Section 12(g) companies, **12:4, 12:11 et seq., App 12-A**

OPERATION OF PUBLIC COMPANIES—Cont'd

- Section 15(d) companies, **12:3, 12:5 to 12:8**
- Section 16(a) reports, Section 12(g) companies, **12:12 to 12:18**
- Selective disclosure, **12:27**
- Shared interests, officers, directors and ten percent shareholders, **12:12**
- Shareholders' Meetings, this index
- Shelf registration, sale of stock of founders, **13:4**
- Shelf-offering rule proposals, **12:32**
- Short-swing profits, officers, directors and ten percent shareholders, **12:34 et seq.**
- Short-term options, officers, directors and ten percent shareholders, **12:42**
- Smaller companies
 - Capital raising, **12:2**
 - Disclosure requirements, **12:2**
- Smaller reporting companies, **12:10**
- Social media, **12:27**
- Squeeze-out techniques, **12:76 et seq.**
- Stock of founders, sale of
 - General discussion, **13:1 et seq.**
 - Public sale, **13:1 et seq.**
 - Rule 144 sales, **13:2**
 - Shelf registration, **13:4**
 - Underwritten secondary offering, **13:3**
- Sudden death buyouts, resolution of conflicts and breaking of deadlocks, **12:83**
- Taxation
 - Acquisition of other businesses, **12:65**
 - Tax consequences, **13:7**
- Ten percent shareholders. Officers, directors and ten percent shareholders, above
- Trusts, officers, directors and ten percent shareholders, **12:12**
- Underwritten secondary offering, sale of stock of founders, **13:3**

INDEX

OPERATION OF PUBLIC COMPANIES—Cont'd
Valuation of a privately held company, **13:10**
Value judgment, **App 13-B**
Workouts, **13:9**

OPTIONS
Compensation and stock incentives, backdating, **8:18**
Emerging growth companies, opt in right, **6:3**
Stock Options, this index
Vesting provisions, **8:19**

OTC BULLETIN BOARD
FINRA Rule 6490, **12:58**
Operation of public companies, eligibility requirements, **12:58**
OTC Markets distinguished, **12:58**

OUTREACH ON CHANGES TO THE LAW
SEC requirement, **6:3**
Title VII of JOBS Act of 2012, **6:3**

OUTSIDE DIRECTORS
General discussion, **3:3**

OVERLAPPING INVENTIONS
Patents, **9:2**

PARTIES
Unfair competition, **9:12**

PARTNERSHIPS
General discussion, **2:20**
“Check-the-box” regulations, **2:11**
Compensation and stock incentives, **8:15**
Employee benefits, **2:10**
Formation
General discussion, **2:4 et seq.**, **App 2-D, App 2-E**
Basic considerations, **2:4**
“Check-the-box” regulations, **2:11**
Employee benefits, **2:10**
Limited liability partnerships, **2:36**
Self-employment tax issues, **2:12**
Taxation, **2:6, 2:12**
Limited liability partnerships, **2:36**
Limited Partnerships, this index

PARTNERSHIPS—Cont'd
Operation of public companies, officers, directors and ten percent shareholders, **12:12**
Research and Development Limited Partnerships, this index
Second Round Financing, this index
Self-employment tax issues, **2:12**
Taxation, **2:6, 2:12**

PASSIVE ACTIVITIES
Taxes, planning for losses, **2:17**

PATENT AND TRADEMARK OFFICE
Utility patents, **9:2**

PATENTS
General discussion, **9:2**
America Invents Act (AIA), **9:2**
Derivation proceeding, **9:2**
Design patents, **9:2**
Employer's right to patents and trade secrets, **9:7, 9:8**
First-inventor-to-file, **9:2**
Formation of venture, **2:2**
Founders, **3:6**
In public use, **9:2**
Initial operating problems, **9:2**
Interference, **9:2**
Inventorship vs. ownership, **9:2**
Nonconfidential submission agreement, **App 9-A**
On sale, **9:2**
Plant patents, **9:2**
Priority of invention, **9:2**
Role of lawyer, **1:9**
Subject matter, **9:2**
Utility patents, **9:2, 9:7, 9:9**
Written contracts, importance of, **9:8**

PAYMENT-IN-KIND DIVIDENDS
Preferred stock, **4:2**

PECUNIARY INTEREST
Operation of public companies, officers, directors and ten percent shareholders, **12:12**

PENALTIES

Insider Trading and Securities Fraud Enforcement Act of 1988, **12:51**
Operation of public companies, failure to file periodic reports, **12:20**

PERFORMANCE APPRAISALS

Employee handbooks, **9:45**

PHANTOM STOCK

General discussion, **8:13**

PHANTOM STOCK PLANS

General discussion, **App 8-F**

PIGGYBACK RIGHTS

Initial financing, **7:13**

PIK DIVIDENDS

Preferred stock, **4:2**

PIPES

Second Round Financing, this index

PLANT PATENTS

General discussion, **9:2**

POSTEFFECTIVE PERIOD

Initial Public Offerings, this index

PREEMPTION

Federal Preemption, this index

PREFERRED STOCK

Initial financing, **4:3**

PREFILING PERIOD

Initial Public Offerings, this index

PRICES

Antitrust law, restraints, **9:25**

PRICING TACTICS

Antitrust law, **9:31**

PRIMARY RESIDENCE

Securities laws, accredited investor definition, **6:5.30**

PRIORITY OF INVENTION

Patents, **9:2**

PRIVACY

Employee handbooks, **9:45**

Torts, **9:22**

PRIVATE COMPANY

FLEXIBILITY AND GROWTH

Employee shareholders exclusion, **6:3**
SEC rule making, revision of “held of record,” **6:3**
SEC study of enforcement authority, **6:3**
Threshold for registration, **6:3**
Title V of JOBS Act of 2012, **6:3**

PRIVATE INVESTMENT IN

PUBLIC EQUITY (PIPES)

Second Round Financing, this index

PRIVATE OFFERINGS

Initial financing, **App 5-C**
Securities, **2:37, 6:4, App 6-A**
Securities, Regulation D exemption, **6:5.50.3**

PRIVATE SECURITIES

LITIGATION REFORM ACT OF 1995

General discussion, **6:27 et seq.**
Attorney’s fees, **6:5.40**
Class actions and other litigation reforms, **6:28.50, 6:28.51**
Heightened pleading standard, **6:27.10**
Proportionate liability, **6:27.30**
Safe-harbor for forward-looking statements, **6:27.20**

PRIVATELY HELD COMPANIES

Operation of public companies, **13:10**

PRIVILEGED COMMUNICATIONS

Officer or director, service by lawyer as, **1:5**

PROJECTIONS

Initial public offerings, drafting registration statement, **11:62**

PROMOTIONAL SHARES

Initial public offerings, **11:37, 11:94**

PROMOTIONS

Initial public offerings, SB-1 registration statement, **11:123**

INDEX

PROPORTIONATE LIABILITY

Private Securities Litigation Reform Act of 1995, **6:27.30**

PROXIES

Delivery of proxy material, **12:17.10**
Enhanced disclosure, **12:17.20**
Irrevocable Proxies, this index
Mergers and sales of companies, **14:16**
Operation of public companies, Section 12(g) companies, **12:17**
Pay ratio disclosure, **12:17.30**
Rules 14a-19: “Universal” proxy cards, operation of public companies, **12:17.50**
Say-on-Pay, **12:17.30**
Shareholders’ meetings, **12:61**

PUBLIC COMPANIES

Initial Public Offerings, this index
Mergers and Sales of Companies, this index
Operation of Public Companies, this index

PUBLICITY

Initial public offerings, **11:77**

PURCHASERS

Insider trading, **12:50**

QUALIFIED BUSINESS INCOME

Deduction from taxes, **2:14**

QUALIFIED INSTITUTIONAL BUYERS

Emerging growth companies, **6:3**

RECORDS

Formation of venture, organizational records, **2:2**

REGISTRATION

Initial Financing, this index
Initial Public Offerings, this index
Mergers and sales of companies, **14:22**
Securities laws, **6:1, 6:19**

REGULATION A

Initial Public Offerings, this index
Securities laws, **6:7**

REGULATION C

Initial public offerings, **11:150**

REGULATION CF

Crowdfunding, this index

REGULATION D EXEMPTION

Securities Laws, this index

REGULATION S

Securities laws, **6:8**

REGULATION S-K

Emerging growth companies, **6:3**
Initial public offerings, **11:146**

REGULATION S-X

Initial public offerings, **11:147**

RELATED PARTY TRANSACTIONS

Initial public offerings, accounting, **11:88**

REOPENING AMERICAN CAPITAL MARKETS TO EMERGING GROWTH COMPANIES

Title I of JOBS Act of 2012, **6:3**

REPORTING REQUIREMENTS

Annual Reports, this index
Crowdfunding, **6:6.41**
Initial public offerings, **11:110**
Operation of Public Companies, this index

REPRESENTATIONS

Mergers and sales of companies, survival, **14:20.1**

REPRESENTATIVE, DISTRIBUTOR AND DEALER ARRANGEMENTS

Antitrust considerations, **9:41**
Bundling distribution agreement, **App 9-D**
Checklist for drafting license agreement, **App 9-F**
Competing products, handling of, **9:41**
Demo days, **6:13**

REPRESENTATIVE, DISTRIBUTOR AND DEALER ARRANGEMENTS—Cont'd
 Distributors, generally, **App 9-B, App 9-D**
 Exclusiveness of territory, **9:41**
 Internet matchmaking portals, **6:13**
 Manufacturer's representatives, generally, **App 9-B**
 Non-registered finders, **6:13**
 Online matchmaking portals, **6:13**
 Sales representative agreement, **App 9-G**
 Software developers, **App 9-C, App 9-E**
 Unfair competition, wrongful termination, **9:17**
 Value added resellers, generally, **App 9-C**

RESCISSION
 Informal financing, **4:1**

RESEARCH AND DEVELOPMENT LIMITED PARTNERSHIPS
 Initial financing, **4:21**

RESEARCH INFORMATION
 Emerging growth companies, **6:3**

RESTRICTED SECURITIES
 Securities Laws, this index

RETENTION OF COMPANY
 Mergers and sales of companies, **App 14-H**

RETIREMENT
 Buy-out and buy-sell agreements, **3:5, App 3-J**

RISK FACTORS
 Initial public offerings, drafting registration statement, **11:53**

ROLE OF LAWYER
 General discussion, **1:1 et seq.**
 Dodd-Frank Act, responsibilities under, **1:10**
 Dodd-Frank Act provisions, **1:10**
 Ethics, this index
 Legal advice vs. business and financial advice, **1:5**

ROLE OF LAWYER—Cont'd
 Patent lawyers, **1:9**
 Startups, introduction, **1:1**
 The case for representing startups, **1:2**

RULE 134
 Initial public offerings, **11:39**

RULE 144
 Form of seller's representation letter, **App 13-A**
 Operation of public companies, **13:2**
 Securities laws, **6:18**

RULE 145 TRANSACTIONS
 Mergers and sales of companies, **14:14**

RULE 504
 Securities laws, Regulation D exemption, **6:5.10**

RULE 506
 Securities laws, Regulation D exemption, **6:5.20**

RULE 508
 Securities laws, Regulation D exemption, **6:5.80**

RULES 10B-5, 10B5-1 AND 10B5-2
 Insider trading, **12:46**

RULES 701-703
 Securities laws, exemption for employee stock plans, **6:10**

RULES 14A-19
 Universal" proxy cards, operation of public companies, **12:17.50**

S-3
 Form S-3, this index

S CORPORATIONS
 General discussion, **2:4 et seq.**
 Basic considerations, **2:4**
 "Check-the-box" regulations, **2:11**
 Elections, **2:8**
 Self-employment tax issues, **2:12**
 Taxation, **2:8, 2:12**

INDEX

SAFE HARBORS

- Private Securities Litigation Reform Act of 1995, forward-looking statements, **6:27.20**
- Securities laws, foreign offering exemption, **6:8**

SAFETY

- Health and Safety, this index

SALE OF CONTROL AT A PREMIUM

- Operation of public companies, **13:6**

SALES OF COMPANIES

- Mergers and Sales of Companies, this index

SARBAKES-OXLEY ACT

- Going public, **11:13**
- Role of lawyer, **1:10**

SAVINGS AND LOAN ASSOCIATIONS

- Initial financing, **5:15**

SB-2 REGISTRATION STATEMENT

- Initial Public Offerings, this index

SCOR LEGISLATION

- Initial public offerings, **11:112**

SEC FORM S-3

- Form S-3, this index

SEC REQUIREMENT

- Outreach on changes to the law, **6:3**

SEC RULE MAKING

- Capital expansion, **6:3**
- Private company flexibility and growth, **6:3**

SECOND ROUND FINANCING

- General discussion, **10:1 et seq.**
- Accounts receivable financing, **10:5**
- Alternative credit sources
 - Government lenders, **10:11**
 - Asset lenders, **10:8**
 - Bridge financing, **10:14, App 10-D**
 - Business plan, corporate partnering, **10:20**
 - Commercial bank loans, **10:4**

SECOND ROUND FINANCING

—Cont'd

- Corporate cultures, corporate partnering, **10:20**
- Corporate partnering
 - General discussion, **10:16 et seq.**
 - Business plan, **10:20**
 - Corporate cultures, **10:20**
 - Equity-oriented arrangement, **10:17**
 - Expected benefits, **10:20**
 - Finding a partner, **10:21**
 - General planning and approach, **10:20**
 - Negotiating the agreement, **10:21**
 - Operating environment, **10:20**
 - Product-driven arrangement, **10:19**
 - Resources of each partner, **10:20**
 - Statement of goals and objectives, **10:20**
 - Structure of partnership, **10:20**
 - Technology-driven arrangement, **10:18**
- Debt financing
 - General discussion, **10:2 et seq.**
 - Accounts receivable financing, **10:5**
 - Asset lenders, **10:8**
 - Commercial bank loans, **10:4**
 - Equipment financing, **10:7**
 - Factoring, **10:9**
 - Inventory financing, **10:6**
 - Leasing, **10:10**
 - Loan guarantees, **10:3**
 - Negotiating the loan, **10:2**
 - Security interests, **10:2**
 - Taxation, **10:2**
 - Down rounds, **10:13**
 - Equipment financing, **10:7**
 - Equity financing
 - General discussion, **10:12 et seq.**
 - Down rounds, **10:13**
 - High-yield debt, **10:15**
 - PIPEs. Private Investment in Public Equity (PIPEs), below
 - Private Investment in Public Equity (PIPEs), below
 - Second rounds, **10:12**

SECOND ROUND FINANCING
—Cont'd
 Equity financing—Cont'd
 "Toxic convertibles," **10:15**
 Equity-oriented arrangement, corporate partnering, **10:17**
 Factoring, **10:9**
 Government lenders, **10:11**
 High-yield debt, **10:15**
 Inventory financing, **10:6**
 Leasing, **10:10**
 Mergers with Public Companies, this index
 Negotiation, **10:2, 10:22**
 Operating environment, corporate partnering, **10:21**
 PIPEs. Private Investment in Public Equity (PIPEs), below
 Product-driven arrangement, corporate partnering, **10:19**
 Resources of each partner, corporate partnering, **10:21**
 Responsibilities of partners, corporate partnering, **10:21**
 Second rounds, **10:12**
 Security agreement, **App 10-F**
 Security interests, **10:2**
 Strategic alliances. Corporate partnering, above
 Structure of partnership, corporate partnering, **10:21**
 Taxation, **10:2**
 Technology-driven arrangement, corporate partnering, **10:18**
 Term sheets, **App 10-D**
 "Toxic convertibles," **10:15**

SECURITY AGREEMENTS
 Inventions by employees, **App 3-H, App 3-I**

SECTION 11
 Securities laws, liability of lawyers and accountants, **6:24**

SECTION 12
 Securities laws, liability of lawyers and accountants, **6:25**

SECTION 12(B) COMPANIES
 Operation of public companies, **12:4.50**

SECTION 12(G) COMPANIES
 Operation of public companies, **12:4, 12:11 et seq., App 12-A**

SECTION 15(D) COMPANIES
 Operation of public companies, **12:3, 12:5 to 12:8**

SECTION 16(A) REPORTS
 Operation of public companies, Section 12(g) companies, **12:12 to 12:18**

SECURITIES ENFORCEMENT
REMEDIES AND PENNY STOCK REFORM ACT OF 1990
 Insider trading, **12:52**

SECURITIES LAWS
 General discussion, **6:1 et seq.**
 Access to Capital for Job Creators, Title II of JOBS Act of 2012, **6:3**
 Accountants. Liability of lawyers and accountants, this index
 Accredited investors, **6:4, 6:5.20, 6:5.30**
 Antifraud provisions, **6:23, 6:24**
 Associated persons of issuer, exemption, **6:15**
 "Bad boy" disqualification provisions, **6:12**
 Blue sky laws, **6:14**
 Capital Expansion, Title VI of JOBS Act of 2012, **6:3**
 Covered securities under SA Section 18, crowdfunding, **6:3**
 Crowdfunding, this index
 Definition, security, **6:2**
 Demo days, **6:13**
 Directors, liability, **6:22**
 Disclosure, **6:3.50.1, 6:3.50.2, 6:5.50, 6:21.40, 12:27**
 Employee stock plans, Rules 701-703 exemption, **6:10**

INDEX

SECURITIES LAWS—Cont'd

- Escrow provisions, minimum-maximum offerings, **6:21.10**
- Exempt offerings, **6:1 et seq.**
- Extensions of offering period, minimum-maximum offerings, **6:21.20**
- Federal preemption, Regulation D exemption, **6:5.90**
- Financial statements
 - generally, **6:3.50.1, 6:3.50.2, 6:5.50**
 - Regulation D exemption, **6:3.50.2, 6:5.50**
- Finders, use of non-registered, **6:13**
- Foreign offering exemption, **6:8**
- Formation of venture, **2:37**
- Fraud provisions, **6:23, 6:24**
- Initial financing, **5:9**
- Integration, **6:11**
- Internet matchmaking portals, use of, **6:13**
- Intrastate equity crowdfunding, **6:9**
- Intrastate offering exemption, **6:9**
- Issuer's exemption, **6:7**
- JOBS Act of 2012, **6:3**
 - Jumpstart Our Business Startups (JOBS) Act of 2012, **6:3**
 - Legal opinions, liability of lawyers and accountants, **6:26.20**
 - Liability, directors and officers, **6:22**
 - Liability of lawyers and accountants
 - General discussion, **6:26 et seq.**
 - Legal opinions, **6:26.20**
 - Section 11, **6:24**
 - Section 12, **6:25**
 - Standards of professional conduct when practicing before SEC, **6:26.10**
 - Matchmaking portals, use of online, **6:13**
 - Mergers and Sales of Companies, this index
 - Minimum-maximum offerings
 - General discussion, **6:21 et seq.**
 - Disclosure, **6:21.40**
 - Escrow provisions, **6:21.10**
 - Extensions of offering period, **6:21.20**
- Nonregistered finders, online matchmaking portals and demo days, use of, **6:13**
- Nonreporting companies, disclosure requirements, **6:3.50.2**
- Notice on Form D, Regulation D exemption, **6:5.70**
- Officers, liability, **6:22**
- Online matchmaking portals, use of, **6:13**
- Outreach on Changes to the Law, Title VII of JOBS Act of 2012, **6:3**
- Primary residence, net worth calculation, **6:5.30**
- Private Company Flexibility and Growth, Title V of JOBS Act, **6:3**
- Private offering exemptions, **6:4**
- Private offering memorandum
 - Need for, **6:5.50.3**
 - Sample, **App 6-A**
- Private Securities Litigation Reform Act of 1995, this index
- Public offering, statutory private offering exemption, **6:5.40**
- Qualified institutional buyers, resales by, **6:20**
- Registration, **6:1**
 - Registration of restricted securities on SEC Form S-3, **6:19**
 - Regulation A exemption, **6:7**
 - Regulation CF. Crowdfunding, this index
 - Regulation D exemption
 - generally, **6:5**
 - Accredited investors, **6:5.20**
 - Amount of securities, **6:5.10**
 - Disclosure requirements, **6:3.50.1, 6:3.50.2, 6:5.50**
 - federal preemption, **6:5.90**
 - Financial statement information, **6:3.50.2, 6:5.50**
 - General solicitation, **6:5.40**
 - Manner of offering, **6:5.40**

SECURITIES LAWS—Cont'd

- Net worth calculation, accredited investor, **6:5.30**
- Nonregistered finders, online matchmaking portals and demo days, use of, **6:13**
- Nonreporting companies, disclosure requirements, **6:3.50.2**
- Notice on Form D, Regulation D exemption, **6:5.70**
- Officers, liability, **6:22**
- Online matchmaking portals, use of, **6:13**
- Outreach on Changes to the Law, Title VII of JOBS Act of 2012, **6:3**
- Primary residence, net worth calculation, **6:5.30**
- Private Company Flexibility and Growth, Title V of JOBS Act, **6:3**
- Private offering exemptions, **6:4**
- Private offering memorandum
 - Need for, **6:5.50.3**
 - Sample, **App 6-A**
- Private Securities Litigation Reform Act of 1995, this index
- Public offering, statutory private offering exemption, **6:5.40**
- Qualified institutional buyers, resales by, **6:20**
- Registration, **6:1**
 - Registration of restricted securities on SEC Form S-3, **6:19**
 - Regulation A exemption, **6:7**
 - Regulation CF. Crowdfunding, this index
 - Regulation D exemption
 - generally, **6:5**
 - Accredited investors, **6:5.20**
 - Amount of securities, **6:5.10**
 - Disclosure requirements, **6:3.50.1, 6:3.50.2, 6:5.50**
 - federal preemption, **6:5.90**
 - Financial statement information, **6:3.50.2, 6:5.50**
 - General solicitation, **6:5.40**
 - Manner of offering, **6:5.40**

SECURITIES LAWS—Cont'd

Regulation D exemption—Cont'd

- Non-financial statement information, **6:3.50.2, 6:5.50**
- Nonreporting companies, disclosure requirements, **6:3.50.2**
- Notice on Form D, **6:5.70**
- Private offering memorandum, **6:5.50.3**
- Reporting companies, disclosure requirements, **6:3.50.1**
- Resale restrictions, **6:5.60**
- Rule 504, **6:5.10**
- Rule 506, **6:5.20**
- Rule 508 good faith compliance, **6:5.80**

Regulation FD, **12:27**

Regulation S exemption, **6:8**

Reopening American Capital Markets to Emerging Growth Companies, Title I of JOBS Act, **6:3**

Reporting companies, disclosure requirements, **6:3.50.1**

Resales

- Qualified institutional buyers, **6:20**
- Restricted securities, resales of, below
- Restrictions, **6:5.60**

Restricted securities, registration on SEC Form S-3, **6:19**

Restricted securities, resales of

- General discussion, **6:17**
- Rule 144, under, **6:18**

Rule 144, this index

Rule 504, Regulation D exemption, **6:5.10**

Rule 506, Regulation D exemption, **6:5.20**

Rule 508 good faith compliance, Regulation D exemption, **6:5.80**

Rules 701-703 exemption for employee stock plans, **6:10**

Safe harbors, foreign offering exemption, **6:8**

Sample memorandum to clients:

- Private offering of securities, **App 6-A**

SECURITIES LAWS—Cont'd

SEC Form S-3, registration of restricted securities, **6:19**

Section 11, liability of lawyers and accountants, **6:24**

Section 12, liability of lawyers and accountants, **6:25**

Small Company Capital Formation, Title IV of JOBS Act, **6:3**

State blue sky laws, **6:14**

Statutory private offering exemptions, **6:4**

Suitability standards, **6:16**

Use of non-registered finders, online matchmaking portals and demo days, **6:13**

SECURITY AGREEMENT

Second round financing, **App 10-F**

SECURITY INTERESTS

Second round financing, **10:2**

SELF-EMPLOYMENT

General discussion, **2:12**

SELF-UNDERWRITING

Initial public offerings, **11:17**

SELLERS

- Mergers and sales of companies, sale of company checklist, **App 14-J**
- Operation of public companies, form of seller's representation letter, **App 13-A**
- Representative, distributor and dealer arrangements, value added resellers, **App 9-C**

SEMICONDUCTOR CHIPS

Copyrights, **9:6**

SERVICEMARKS

Trademarks and Servicemarks, this index

SHAREHOLDERS

- Agreements between founders, **3:2, App 3-A, App 3-B**
- Capital expansion, threshold for registration, **6:3**
- Meetings. Shareholders' Meetings, this index

INDEX

SHAREHOLDERS' MEETINGS
General discussion, **12:60 et seq.**
Annual report to shareholders, **12:62**
Conduct of meetings, **12:63**
Proxy rules, **12:61**
Script for annual meeting for election of directors, **App 12-D**

SHELF REGISTRATION
Operation of public companies, sale of stock of founders, **13:4**

SHELF-OFFERING RULE PROPOSALS
Operation of public companies, **12:32**

SHOP RIGHTS
Patents and trade secrets, **9:7, 9:8**

SHORT-SWING PROFITS
Mergers and sales of companies, **14:15**
Operation of public companies, officers, directors and ten percent shareholders, **12:34 et seq.**

SHORT-TERM OPTIONS
Operation of public companies, officers, directors and ten percent shareholders, **12:42**

“SHOTGUN” BUYOUT CLAUSE
Agreements between founders, **App 3-M**

SIGNATURES
Initial public offerings, SB-1 registration statement, **11:142**

SMALL BUSINESS INITIATIVES
Initial Public Offerings, this index

SMALL BUSINESS INNOVATION RESEARCH GRANTS
Initial financing, **5:21**

SMALL BUSINESS INVESTMENT ACT
Initial financing, **5:12**

SMALL COMPANY CAPITAL FORMATION
Authority to exempt certain securities, **6:3**

SMALL COMPANY CAPITAL FORMATION—Cont'd
State law relationship, **6:3**
Title IV of JOBS Act of 2012, **6:3**

SMALLER COMPANIES
Operation of public companies, **12:2**

SOCIAL MEDIA
Operation of public companies, **12:27**

SOFTWARE
Computer Software, this index

SOLE PROPRIETORSHIPS
General discussion, **2:4 et seq.**
Basic considerations, **2:4**
“Check-the-box” regulations, **2:11**
Self-employment tax issues, **2:12**
Taxation, **2:4, 2:12**

SOPHISTICATED INVESTORS
Initial financing, **5:17, 5:18**

SOURCES OF FINANCING
Initial Financing, this index

SQUEEZE-OUT TECHNIQUES
Operation of public companies, **12:76 et seq.**

STARTUPS
Common mistakes made, **2:1**
Introductions, **1:1**
The case for representing, role of lawyer, **1:2**

STATE LAW RELATIONSHIP
Crowdfunding, **6:3**

STATE OF INCORPORATION
Selection of, **2:22**

STOCK
“Cheap Stock,” this index
Compensation and Stock Incentives, this index
Curing defects in stock issuances, **2:42**
Dividends, this index
Ethics, fees, **1:6**
Options. Stock Options, this index
Proxies, this index

STOCK OPTIONS

- Employee benefits, taxation, **2:10**
- Ethics, fees, **1:6**
- Manufacturing facilities, **9:60**
- Sales to nonaccredited investors, **2:1**

STRATEGIC ALLIANCES

- Second Round Financing, this index

SUBORDINATION

- Initial financing, **4:15**

SUBSIDIARIES

- Initial public offerings, financial statements, **11:85**

SUBSTANTIAL COMPLIANCE

- Initial public offerings, Regulation A offering, **11:107**

SUBSTANTIALITY

- Partnerships, taxation, **2:6**

SUDDEN DEATH BUYOUTS

- Operation of public companies, resolution of conflicts and breaking of deadlocks, **12:83**

SUGGESTIVE MARKS

- Trademarks, **9:5**

SUPERMAJORITY VOTES

- Stock control arrangements, **3:2**

SURVIVAL OF REPRESENTATIONS AND WARRANTIES

- Mergers and sales of companies, **14:20.1**

TAXATION

- Boot
 - Mergers and sales of companies, **14:25**
 - Transfer on commencement of corporation or partnership, **2:13**
 - “Check-the-box” regulations, **2:11**
 - Compensation and Stock Incentives, this index
 - Conversions, **2:15, 2:16**
 - Corporations, **2:8, 2:12**
 - Counsel, responsibilities under Circular 230, **1:11**
- Deduction of qualified business income, **2:14**
- Formation of venture
 - General discussion, **2:5 et seq.**
 - “Check-the-box” regulations, **2:11**
 - Conversions, **2:15, 2:16**
 - Corporations, **2:7**
 - Initial tax considerations, **2:12 et seq.**
 - Limited liability companies, **2:9**
 - Losses, planning for, **2:17**
 - Organizational costs, **2:19**
 - Partnerships, **2:7**
 - qualified business income, deduction, **2:14**
 - S corporations, **2:8**
 - Self-employment issues, **2:12**
 - Sole proprietorships, **2:5**
 - Taxable years, **2:18**
 - Transfers on commencement of corporation or partnership, **2:13**
- Initial Financing, this index
- Initial public offerings, **11:11**
- Limited liability companies, **2:9, 2:12**
- Losses, planning for, **2:17**
- Mergers and sales of companies, **14:23 to 14:25, 14:27**
- Operation of Public Companies, this index
- Organizational costs, **2:19**
- Partnerships, **2:6, 2:12**
- Qualified business income, deduction, **2:14**
- Restricted deferred compensation plans, **8:16**
- S corporations, **2:8, 2:12**
- Second round financing, **10:2**
- Self-employment issues, **2:12**
- Sole proprietorships, **2:5, 2:12**
- Stock or ownership interests, division of, **3:1**
- Taxable years, **2:18**

TEMPORARY WORKERS

- Wages and hours, **9:52**

INDEX

TEN PERCENT SHAREHOLDERS
Operation of Public Companies, this index

TERM SHEETS
Initial financing, **7:2, App 7-B**
Limited partnerships, **App 2-M**
Second round financing, **App 10-D**

TERMINATION
General discussion, **App 2-G**
Buy-out and buy-sell agreements, **3:5, App 3-J**
Employee handbooks, **9:45**

TERMINATION OF EMPLOYMENT
Initial operating problems, **9:47.50**

TERRITORIAL RESTRAINTS
Antitrust law, **9:26**

TEST THE WATERS
Initial public offerings, Regulation A offering, **11:106**

“THE PEOPLE’S BANK”
Initial financing, **App 5-D**

THRESHOLD FOR REGISTRATION
Private company flexibility and growth, **6:3**

TITLE IV OF JOBS ACT
Regulation A offering, Initial Public Offerings, this index

TITLE VII OF THE CIVIL RIGHTS ACT OF 1964
General discussion, **9:43**

TORTS
General discussion, **9:19 et seq.**
Confidential relationship, breach of, **9:12**
Emotional distress, infliction of, **9:22**
Fair dealing, duty of, **9:12**
Fiduciary duty, breach of, **9:12**
Good faith, duty of, **9:12**
Inducement of breach of contract, **9:20**

TORTS—Cont’d
Interference with contractual relations, **9:12, 9:22**
Interference with prospective advantage, **9:12, 9:21**
Privacy, invasion of, **9:22**
Trade libel, **9:23**

“TOXIC CONVERTIBLES”
Second round financing, **10:15**

TRADE LIBEL
Torts, **9:23**

TRADE NAMES
General discussion, **9:5**
Written contracts, importance of, **9:8**

TRADE SECRETS
General discussion, **9:3, 9:4, 9:7, 9:9**
Formation of venture, protection of secrets, **2:1**
Nonconfidential submission agreement, **App 9-A**
Role of lawyer, **1:9**
Uniform Trade Secrets Act, **9:4**

TRADEMARKS AND SERVICEMARKS
General discussion, **9:5**
Formation of venture, **2:1**
Written contracts, importance of, **9:8**

TRUST INDENTURE ACT
Initial public offerings, Regulation A offering, **11:109**

TRUSTS
Operation of public companies, officers, directors and ten percent shareholders, **12:12**
Voting Trusts, this index

TYING AGREEMENTS
Antitrust law, **9:30**

UNDERTAKINGS
Initial public offerings, SB-1 registration statement, **11:141**

UNDERWRITERS AND UNDERWRITING
Initial public offerings, **11:17, 11:22, 11:69**

UNFAIR COMPETITION

General discussion, **9:10 et seq.**
Agency, wrongful termination of, **9:17**
Antitrust law, **9:32**
Competing business, organization of, **9:16**
Computer Fraud and Abuse Act, **9:13**
Contractual restraints, **9:18**
Customers, solicitation by former employees, **9:14**
Distributorship, wrongful termination of, **9:17**
Employees of company, solicitation by former employees, **9:15**
Former employees, **9:14, 9:15**
History, **9:11**
Parties, **9:12**
Torts, this index

UNIFORM TRADE SECRETS ACT

General discussion, **9:4**

UTILITY PATENTS

General discussion, **9:2, 9:7, 9:9**

VALUATION

Buy-out and buy-sell agreements, **3:5, App 3-J**
Contributions, agreements between founders, **3:1**
Initial financing, **7:3**
Initial public offerings, **11:2**
Mergers and sales of companies, **14:1.1**
Operation of public companies, **13:10**

VALUE JUDGMENT

Rule 144 sales, **App 13-B**

VENTURE CAPITAL

Formation of venture, **2:1, App 2-N**
Initial financing, **5:13**

VESTING PROVISIONS

Compensation and stock incentives, **8:19**

VOLUNTEERS

Wages and hours, **9:52**

VOTES AND VOTING

Initial financing, voting agreement, **App 7-G**
Supermajority Votes, this index
Voting Trusts, this index

VOTING TRUSTS

General discussion, **3:2, App 3-D**
Initial financing, **7:11**

WAGES

Employment, **9:45, 9:49 to 9:52**

WAIVER

Initial public offerings, **11:92**

WARRANTIES

Initial financing, **7:7**
Mergers and sales of companies, survival, **14:20.1**

WARRANTS

Initial financing, **4:9, 7:31**

WHISTLEBLOWERS

Role of lawyer, **1:10**

WORKERS' COMPENSATION

General discussion, **9:55**

WORKOUTS

Operation of public companies, **13:9**

XYZ TECHNOLOGY INC. V.

OFFERING LOG

Securities, **App 6-C**