

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

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

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

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

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

CLIENT INFORMATION:

Client name: _____

Address: _____

office phone: _____ cell phone: _____

fax number: _____ home phone: _____

LIMITED LIABILITY COMPANY MATTERS:

LLC name choices (Note: the name must include a reference to the LLC):

1st: _____

2nd: _____

3rd: _____

Do you use a similar name registered with the Arizona Secretary of State? Yes ____ No ____

Do you know of any similar name registered with the Arizona Secretary of State? Yes ____ No ____

Are you interested in establishing an Arizona dba ("doing business as") name? Yes ____ No ____

Name: _____

Principal office address: _____

office phone: _____

fax number: _____

other phone: _____

e'mail: _____

BASIC INFORMATION:

Yes

No

1. Is this a new business? _____

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

What is the legal name of any prior business?

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

- * Sole Proprietorship
- * C Corporation
- * S Corporation
- * Limited Partnership
- * General Partnership
- * Other _____

2. Will the business operate in any other states? _____
If so, please list the states: _____

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

Yes

No

4. Will the LLC owners include any:

- * non-Arizona residents ?
- * corporations ?
- * trusts ?
- * partnerships ?
- * resident aliens ?
- * non-resident aliens ?

Yes

No

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

	<u>Yes</u>	<u>No</u>
6. Are you going to obtain any loans for your new LLC?	___	___
Expected lender: _____		
Expected Loan: \$_____ and main terms (interest rate, duration, who is responsible to repay, collateral): _____		

	<u>Yes</u>	<u>No</u>
7. Do any owners have more than 5% ownership in any other business, partnership, or corporation?	___	___
8. Are the contributions of any owners to be paid in property?	___	___
9. Are the contributions of any owners to be paid in securities?	___	___
10. Are the contributions of any owners to be made by a note?	___	___
11. Are any ownership interests going to be issued for services?	___	___
12. Do you intend to assign any income right, accounts receivable, or contractual rights to the new LLC?	___	___
13. When do you first anticipate paying any compensation? _____ 20____.		
14. Please describe the nature of the business to be conducted by the LLC:		

	<u>Yes</u>	<u>No</u>
15. Is the business primarily a service business?	___	___
16. Will all of the owners be involved in the management of the LLC?	___	___
17. Will the owners' interest in the LLC be subject to transfer restrictions?	___	___
18. How many owners do you anticipate having? _____		
19. Do you want to give owners:	<u>Yes</u>	<u>No</u>
Different income / loss allocation preferences?	___	___
Different voting rights?	___	___
20. Do you want to appoint a manager(s) of the LLC?	___	___
If so:		
Name of Manager: _____		
Address: _____		
SS#: _____		

	<u>Yes</u>	<u>No</u>
21. Must the managers be owners of the LLC?	_____	_____
22. Do you want us to refer you to any other advisors? If yes, what help do you need?	_____	_____
23. Do you want us to send copies of your LLC documents to any of your other advisors? (i.e. Accountant) If yes, which advisors? (listed below?)	_____	_____

OWNER INFORMATION:

	<u>Name</u>	<u>Address & Phone</u>	<u>Federal ID #</u>
Contribution: \$ _____ Ownership: _____ %	_____	_____	_____
Contribution: \$ _____ Ownership: _____ %	_____	_____	_____
Contribution: \$ _____ Ownership: _____ %	_____	_____	_____
Contribution: \$ _____ Ownership: _____ %	_____	_____	_____
Contribution: \$ _____ Ownership: _____ %	_____	_____	_____
Contribution: \$ _____ Ownership: _____ %	_____	_____	_____

TAX ELECTIONS (speak with your Accountant):

- * S Corp Status: Yes ____ No ____
- * Choice of Tax Year (may be restricted): _____
- * Accounting Method (may be restricted): _____

TRANSFERS:

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

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

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

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

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

<u>OTHER PARTY</u>	<u>TRANSFERRING PARTY</u>	<u>PURPOSE</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

OTHER ADVISORS:

	<u>NAME</u>	<u>PHONE</u>
Accountant	_____	_____
	_____	_____
Banker	_____	_____

Insurance

Financial

Other:

— ♦ —

Evaluation of the LLC

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

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

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

Owners should have cumulative voting rights.

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

We want to provide for non-voting members.

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

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

We want to have different classes of ownership.