

## **INCORPORATION AND BUSINESS START-UPS**

The Internet allows all of us access to pages and pages of unverified information on many topics, and incorporation is no exception. Rhame & Elwood understands that a simple search on any popular search engine for “Business Start-Up” , or “Incorporation” produces hundreds of websites and they all have a few things in common, a lengthy disclaimer and general non-state specific legal forms.

The disclaimers are all worked a little differently however they make the same point; the website or business cannot actually give you legal advice. They can only provide general information on a legal issue and then you decide what to do with the information and paper work. In other words, you do not have the opportunity to ask questions concerning your specific business or financial circumstances and have an Attorney help you weigh all the available options, in light of YOUR specific needs. These websites provide lots of general information and forms with little or no insight or the assurance that the information or forms are correct or even apply to Indiana.

The Attorneys at Rhame & Elwood offer information and legal advice, in light of your circumstances and needs, and then you decide the best course of action.

A corporation is a separate legal entity from its owners. Certain documents must be filed with the state for a corporation to be properly created. Corporations generally have the following characteristics:

1. Liability Protection for Owners
2. Ease of Management
3. Ability to Change Ownership
4. Long Life

## 5. Tax Benefits for Owners

the liability protection offered by a corporation is often what prompts a business owner to cooperate. One of the biggest concerns for a business owner is losing the liability protection that a corporation provides. When a corporation is disregarded (the corporate veil is pierced) an owner or shareholder may be personally liable for the debts and obligations of the corporation. The factors to be considered by a court in determining whether to “pierce the corporate veil” are:

1. Undercapitalization of the corporation.
2. Absence of corporate records.
3. Fraudulent representation by shareholders, officers or directors.
4. Use of the corporate form to promote illegal activities.
5. Corporate payment of individual liabilities.
6. Same shareholders, officers and/or directors of multiple corporations.
7. Commingling of Assets or Funds.
8. Acts which ignore, control or manipulate the corporate form.

At Rhame & Elwood, we can assist you in preventing these actions and activities which could cause your business, your corporation, and your personal assets great harm.

For more information or to set up an appointment, click [HERE](#).