

The law firm of Fazzone Ryan & Ricciuti, LLC is in touch with the issues and laws shaping today's competitive and rapidly changing business climate. Speak to any of our attorneys and find out why people throughout Connecticut turn to us to help realize their business goals.

This pamphlet is offered free by Fazzone Ryan & Ricciuti, LLC and is intended to help answer some of the questions you may have about the legal requirements of starting a business. We also offer "Top 10 Q & A's" on estate planning, estate administration, elder law and buying and selling real estate.

Of course, you may have additional questions which we will also be pleased to answer for you. For a free initial consultation, simply call (203) 250-2222. Fazzone Ryan & Ricciuti, LLC. We're here for you.

Our attorneys and staff are dedicated to providing the highest quality service and exceeding our clients' expectations.

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*The Top 10 List  
of Most Commonly  
Asked Questions about:*

## **Business Services**

*Quick answers to your  
business-related  
legal questions*

### **1. What legal entity is best for starting my business?**

Numerous alternatives exist for forming a business, including the recently introduced limited liability companies (“LLCs”) and limited liability partnerships (“LLPs”). What is best for you depends on many factors, such as the type of business or industry you enter into, tax consequences, ownership and management considerations.

### **2. What is an LLC?**

An LLC, or limited liability company, is a business entity that may be formed in Connecticut by one or more individuals. Its advantages to the owners (“Members”) include limited personal liability and favorable tax treatment.

### **3. If my business is sued, am I personally at risk?**

Different rules apply depending on the type of business entity and other factors. Normally, personal assets of share-holders of a corporation and LLC members are not at risk. However, if you are a sole proprietor, your personal assets would be subject to recovery by judgment creditors.

### **4. What regulatory approvals do I need when starting a business?**

You will want to make sure that your type of

business is a permitted “use” for its location under the zoning laws of the municipality. Several other regulatory approvals may be necessary, depending on the nature of the business.

### **5. Can I be held responsible for environmental problems at my business even if I did not cause them?**

Yes. For example, if oil from underground storage tanks has leaked into the soil or groundwater, the Connecticut Department of Environmental Protection can name you as a defendant in a lawsuit, even if the contamination was caused by others who owned or leased the property before you.

### **6. What can I do to ensure that my business survives if I die or retire?**

Various agreements may be executed to help keep your business running in the event of death or retirement. These include stockholder or partnership agreements, employment contracts and voting trusts. Careful drafting of such agreements will offer vital protection in the event of unforeseen circumstances.

### **7. Should I have an employment handbook for my employees?**

Terminated employees sometimes claim that such handbooks function as employment “contracts”. Still, many companies believe these handbooks promote a better working

atmosphere while clarifying policies and procedures. Again, careful drafting is essential to avoid the risk of wrongful discharge claims.

### **8. Are non-competition agreements advisable for key employees?**

If your business allows employees to have direct access to clients, customer lists and confidential information, it may be prudent to execute non-competition agreements that protect your business territories and established relationships.

### **9. What types of questions may I legally ask during an interview?**

Asking improper questions in a job interview can have devastating consequences for business. Generally, questions should be restricted to work experience and the applicant’s ability to perform the job. Inquiries about marital status, children, age, or substance abuse can open the door to claims of discrimination.

### **10. What is a “Triple Net” lease?**

In commercial leases, this term means the tenant must pay all expenses for the use and operation of the property, including all taxes, utilities, maintenance and insurance charges. A “gross” lease is one where the landlord is obligated to pay such expenses.