



Small Business Legal DIY? What's OK to Do Yourself

by [Chad Brooks, BusinessNewsDaily Senior Writer](#) | June 23, 2013 06:46am ET

When launching a new business, it is easy for entrepreneurs to get lost in all of the required legal paperwork. From business licenses to forming a corporation or limited liability company (LLC), it can be quite a chore to make sure all the details are in order.

Few know this better than Nellie Akalp, CEO of the online legal document filing service [Corpnet.com](#). She has not only started two businesses of her own, but has also been helping entrepreneurs set up their own ventures for more than 15 years.

In an email Q&A, BusinessNewsDaily asked Akalp about keeping up with the proper legal documents and how small business owners can get a better handle on the process.

BusinessNewsDaily: *What are some legal things small businesses should feel comfortable doing on their own (without an attorney), and what should definitely be done by a [small business lawyer](#)?*

Nellie Akalp: For the typical small business owner, every dollar counts. Attorney retainer fees can really eat into the budget, yet in some cases, the upfront investment in getting sound legal advice can save you much more down the road. The key is to find the right [balance between legal DIY and an attorney](#).

For example, when setting up a business, it's very easy and cost-effective to use an online legal-document-filing service to incorporate a business or form an LLC. However, if you have a very complex shareholder structure or are dealing with millions of dollars, then you should turn to a lawyer. As another example, you can use an online service to file for [trademark protection](#) but you're going to need to turn to a patent attorney to help you navigate the patent process.

BND: *What are the legal forms/filings small businesses often forget or overlook?*

N.A.: For a small business owner, the number of required filings to keep a business in compliance in a given year can be quite overwhelming. For example, in California, newly formed corporations need to obtain a federal tax ID number, file an Initial Statement of Information, and file a [DBA](#) (Doing Business As) or fictitious name filing for any variation of their business name. Then, each year, a corporation also needs to file an annual statement of information to keep the corporation in compliance. In addition, a corporation needs to stay on top of filing any amendments for important changes, as well as holding a shareholders' meeting once a year in which official minutes are kept.

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BND: *Has technology changed small businesses' legal obligations? Are there legal implications to protecting customer data, for example?*

N.A.: Technology is having a huge impact on a small business' legal matters. Online services are making it easier than ever for small businesses to handle important legal issues on their own. For example, today, a small business owner can check the availability of a business name, [file a trademark](#) and form a corporation — all online. Fifteen years ago, they would have needed to actually walk into the state office, courthouse or county recorder's office to handle any of these types of filings, and if they were not familiar with the DIY legal route, then they would also have to consult a lawyer to handle all of it.

However, technology also brings some challenges. Small businesses need to take safeguards to protect their customers' data, and comply with email marketing regulations. In addition, if a small business wants to pay or reward a blogger for a referral or review, they need to understand the nuances of disclosure requirements.

BND: *How would you advise small business owners — who are surely busy with many other tasks — to keep track of their legal filing obligations?*

N.A.: There's not a magic solution for taking care of your legal filing obligations. The two most important things for small business owners to understand are, one, it's really critical to take these obligations seriously, since your business can fall out of good standing and your corporate shield can be pierced if you don't keep up with your filings; and two, none of these filings is particularly complex or time-consuming, and can all be handled through a reputable document-filing service.

BND: *What forms/filings are the most challenging for businesses?*

N.A.: Back when I began my career, there were limited resources to help someone like me start a small business. In fact, the perception was that only lawyers could handle the legal paperwork necessary to start a business. I learned a lot on my own, and I've found that the ongoing maintenance filings tend to give businesses the most trouble — not because they're difficult to fill out; they're actually quite simple. Rather, throughout the course of the year, entrepreneurs are very busy running their business and aren't always thinking that they need to send in an annual statement of information or amendment form.

When it comes to paperwork, [forming an LLC or corporation](#) can be challenging when you're filling out the forms yourself, because there are all these little details — right down to the paper size or ink color — that are specific requirements in each state. Not following one minor detail could delay the application process.

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