

Practice Highlights

NEW COMPANY DEVELOPMENT AND EARLY STAGE CAPITAL RAISE

- Professional services consulting company. Initial representation consisted of choice of entity analysis and formation of a limited liability company, owned by one member who was the principal of the company. Representation continued to include expansion of the core group of employees. Additional representation included incorporating a management corporation to hold the operating company, implementing an incentive stock option plan, and preparation of a private placement memorandum for a venture capital round. Company has grown from a one person firm to a multimillion dollar business in less than five years.
- New technology corporation. Initial representation included formation of Alabama corporation with founding shareholders. The founding shareholders then did a friends and family round of financing consisting of several individuals, which involved structuring a subscription agreement, private placement memorandum and other transactional documents. Friends and family round was followed by a second round of financing several months later that presenting similar issues. Company then reached the stage for early round venture capital investment, which we assisted in structuring. Representation includes drafting of contracts for services, incentive stock option plan, consulting agreements, confidentiality and non-solicitation agreements. Company now has in excess of one million dollars in potential revenue under current service contracts.
- Start up Manufacturer. The transaction involved the incorporation, negotiation of a multi-party shareholders agreement (including buy/sell provisions), lease review, equipment lease review, review small business loan and structuring of subscription agreement for compliance with securities law. Company is now cash flow positive.
- Pharmaceutical company. Incorporation included a two tiered structure with an S corporation holding company and a limited liability company subsidiary. Structure allowed management to manage the company through a Management Agreement between the two entities and have an angel investor invest through a corporation into the limited liability company. Representation includes discussions on strategic partners, issues associated with former employer and various employment issues.
- Heavy equipment sales and leasing company. The transaction involved the incorporation, negotiation of multi-party shareholders' agreement (including buy/sell provisions), and drafting numerous form lease, purchase and sale, and brokerage agreements for the company's use in its day-to-day operations.

Continue to represent these clients in various transactions and matters today.

SHAREHOLDER TRANSACTIONS

- Represented a company in connection with a buy-in by a new strategic owner/manager. Company was formed as a limited liability company managed by a corporation that elected to be taxed as an S corporation. Representation included negotiation of Non Competition and Non-Solicitation Agreement, Restricted Stock Agreement, Shareholder Agreement and Employment Agreement.
- Represented the employee and stock purchaser in connection with a buy-in to a company. Representation included negotiation of Shareholder Agreement, Stock Purchase Agreement and Employment Agreement with post-employment restrictive covenants.
- Represented various professional service firms in connection with departure of one or more owners. Representations included positioning of parties concerned with valuation of ownership interests as well as various other claims associated with duties by and among owners.

MERGERS AND ACQUISITIONS

- Represented the Purchaser of a construction company in a transaction that involved (i) the formation of a Delaware acquisition company, (ii) the purchase of stock by the acquisition company; and (iii) the merger of the subsidiary corporation with and into the parent company. This representation involved due diligence, negotiation of a letter of intent, negotiation of a Stock Purchase Agreement, and closing of the transaction. The total amount of the deal, including assumed liabilities, was in excess of four million dollars.
- Represented the transaction in the asset sale of a restaurant and bar. This representation including the drafting and negotiation of an Asset Purchase Agreement, modification and amendment of lease, negotiation of a Management Agreement and drafting financing documents. The total amount of the deal, including assumed liabilities, was \$300,000.
- Represented the Seller in the potential sale of large retail business and assisted the Seller in distribution of its information package coordinated execution of non-disclosure agreements coordinated distribution of preliminary due diligence information and facilitated and filtered initial inquiries and early stage negotiation. Although a purchaser was not identified, the business sale price was anticipated to be in excess of one million dollars; additionally the sale of owner occupied real estate was available with a sales price of at least \$1.4 million.
- Represented the Purchaser in an asset sale of a manufactured building company. This representation included the formation of a new company for the Purchasers and the drafting and negotiation of an asset purchase agreement non competition agreement and trademark assignment agreement. The asset purchase price was \$250,000.
- Represented the Seller of a small business in the stock sale of a niche commercial business. Representation included assistance in identifying the appropriate, negotiate financing arrangements and

negotiate consulting terms after sale. Sale allowed seller to transition business to a younger owner in order to fulfill retirement goals.

REAL ESTATE

- Represented purchaser with respect to the purchase of office building in Jefferson County, Alabama for commercial office space and residential loft use.
- Represented purchaser with respect to purchase of industrial warehouse property located in Shelby County, Alabama.
- Represented purchaser with respect to purchase of industrial office park property located in Mobile County, Alabama.
- Represented tenant in lease negotiations with landlord relating to retail spaces located in Jefferson County, Alabama.
- Represented seller with respect to sale of industrial warehouse property in Shelby County, Alabama.
- Represented tenant in lease negotiations with landlord relating to medical office building property located in Jefferson County, Alabama.
- Provided corporate, real estate, and tax advice to developer group in connection with a coastal condominium development
- Represented purchaser with respect to purchase of land and industrial facility in Cullman County, Alabama.
- Represented developer with respect to condominium project located in Montgomery County, Alabama.

REAL ESTATE FINANCE

- Represented financial institutions of varying sizes in real estate financing transactions relating to commercial properties located throughout the State of Alabama.
- Represented financial institutions of varying sizes in real estate financing transactions relating to residential properties located throughout the State of Alabama.

TAXATION

- Advised multiple companies in drafting incentive plans involving incentive (“ISO”) and non-qualified (“NSO”) stock options, stock appreciation rights (“SAR”), and phantom stock.
- Advise businesses with respect to multi-state income tax planning.

- Provided tax advice to parties engaging in Internal Revenue Code (“IRC”) section 1031 like-kind exchange and IRC section 1033 involuntary conversion transactions.
- Advised both purchasers and sellers regarding the tax consequences of the purchase and sale of businesses.
- Represented individuals and businesses before various state departments of revenue as well as the Appeals Division of the Internal Revenue Service, the U.S. Tax Court, and the U.S. District Court.

Representative In-House Counsel Clients

- **Manufacturing Company.** Over the past four years we have assisted in the formation of ancillary and subsidiary companies, share issuances, lease negotiations, license agreements, loan closings, mergers and company expansion. Currently, we provide an attorney to spend a day each week at the corporate office to manage day-to-day legal issues as they arise. We charged a fixed monthly fee that is reviewed annually.
- **Technology Company.** Since its inception, we have assisted with incorporation, share issuance, private placement memoranda, investor relations, employment and consulting agreements with appropriate post service restraints, compliance with state and federal laws, corporate governance and company growth and expansion. Currently, we charge a fixed monthly fee reviewed every six months with a person on site no less than a half day every two weeks. During the engagement we have received stock as partial payment of fees in accordance with Alabama Rules of Professional Conduct.
- **A provider of tutoring services.** We assisted with its choice of entity, corporate structure, asset protection, agreements in restraint of trade, government contract review, corporate governance and compliance with state and federal laws. We have continuous contact despite remote locations. The client is charged a fixed monthly fee adjusted every six months based on previous six month activity.

Red Mountain Law is not a law firm, rather a network of small law firms. All legal work performed is performed by and through the respective participating law firm. The Alabama Rules of Professional Conduct requires the following disclosure: "No representation is made that the quality of the legal services to be performed is greater than the quality of legal services performed by other lawyers."

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