

EXHIBIT A

**TABLES FOR USE IN MAKING NON-TAX CHOICE OF ENTITY ANALYSES**

TABLE 1—BUSINESS ORGANIZATION LAW FEATURES RELEVANT TO NON-TAX CHOICE OF ENTITY;  
WHICH BUSINESS OWNERS ARE LIKELY TO NEED THESE FEATURES

<b>BUSINESS ORGANIZATION LAW FEATURE</b>	<b>WHICH BUSINESS OWNERS ARE LIKELY TO NEED THE FEATURE</b>	<b>EXAMPLES AND COMMENTS</b>
1. Liability shield	Any business owners who have one or more co-owners or employees or who use one or more independent contractors in their business are at risk of being personally liable for their employees' and contractors' errors. To avoid this liability, these owners need a statutory liability shield.	<p><u>EXAMPLE.</u> John Doe is a lawyer in solo practice. He has a secretary. He needs a liability shield.</p> <p><u>COMMENT.</u> A liability shield may also be useful to business owners if they are able to enter into lease agreements, loan agreements or other types of agreements without having to personally guarantee these agreements. In this situation, if their businesses default on these agreements, these owners will normally not be personally liable for the default.</p>
2. Charging order protections	Any business owners against whom creditors may eventually obtain judgments that the owners cannot pay and who want to prevent creditors from foreclosing on their business management rights or to prevent creditors from becoming substituted business partners should conduct their businesses through entities that provide charging order protections.	<p><u>EXAMPLE.</u> John Doe co-owns a business with Mary Roe. John and Mary should conduct their business through an entity that provides charging order protections so that if either of them incurs an unsatisfied judgment in his or her personal capacities and these judgments do not relate to their business, their creditors will not be able to replace them as new business co-owners.</p>
3. User-friendly management structure	The only business structure that is likely to be unfriendly to most businesses is the corporate structure. The only business owners likely to find the corporate structure to be useful are those whose businesses have relatively large numbers of passive owners who want to appoint directors to manage their business.	<p><u>EXAMPLE.</u> XYZ is a business with 15 owners. Most of these owners lack the time or expertise to monitor the conduct of the business. These owners may want a corporate management structure with directors who can oversee the business and monitor the officers.</p>

<b>BUSINESS ORGANIZATION LAW FEATURE</b>	<b>WHICH BUSINESS OWNERS ARE LIKELY TO NEED THE FEATURE</b>	<b>EXAMPLES AND COMMENTS</b>
4. Continuity of life	The owners of most businesses need continuity of life so that, when they themselves die or (if they are entities) are dissolved, their business entity will continue in existence.	<u>EXAMPLE.</u> John Doe and Mary Roe want to form a two-person joint professional practice. If they form their practice as a general partnership or as an LLP and thereafter one of them dies or resigns, the existence of their general partnership or LLP will automatically terminate because it has only one owner. The consequences of this termination may be surprising and painful.
5. Easy transfer of multiple business assets	If a business owned by one or more owners has multiple business assets and if the owners of this business believe they may want to eventually give or transfer interests in their business to heirs or other third parties, they should conduct their business through an entity that can transfer its assets to third parties through transfers of interests in the business.	<u>EXAMPLE.</u> John Doe uses a sole proprietorship to operate a large and successful business that owns, among other assets, numerous registered motor vehicles and extensive real estate. When he dies, he wants to leave his business to his daughter. John should convert his sole proprietorship to a single-member LLC or a single-shareholder corporation so that, upon his death, he can transfer his business to his daughter by transferring his LLC membership or his corporate stock.

TABLE 2: TYPES OF BUSINESS ENTITIES AVAILABLE TO INDIVIDUALS FORMING SINGLE-OWNER BUSINESSES:  
COMPARISONS AMONG THESE ENTITIES ON THE BASIS OF KEY BUSINESS ORGANIZATION LAW FEATURES

<b>STATE-LAW BUSINESS ORGANIZATION FORM</b>	<b>LIABILITY SHIELD</b>	<b>CHARGING ORDER PROTECTIONS</b>	<b>USER-FRIENDLY MANAGEMENT STRUCTURE</b>	<b>CONTINUITY OF LIFE</b>	<b>EASY TRANSFER OF MULTIPLE BUSINESS ASSETS</b>
1. Sole proprietorship	No	No	Yes	No	No
2. Single-member LLC	Yes	Probably not. It is very clear that multi-member LLCs provide charging order protections, but far less clear that single-member LLCs can provide them.	Yes	Yes	Yes
3. Single-shareholder corporation	Yes. However, single-shareholder corporations are more exposed to the risk of veil-piercing than single-member LLCs because of their need to comply with complex corporate statutory formalities.	No	No	Yes	Yes

TABLE 3: TYPES OF BUSINESS ENTITIES AVAILABLE TO ENTITIES FORMING SINGLE-OWNER BUSINESSES;  
COMPARISONS AMONG THESE ENTITIES ON THE BASIS OF KEY BUSINESS ORGANIZATION LAW FEATURES

STATE-LAW BUSINESS ORGANIZATION FORM	LIABILITY SHIELD	CHARGING ORDER PROTECTIONS	USER-FRIENDLY MANAGEMENT STRUCTURE	CONTINUITY OF LIFE	EASY TRANSFER OF MULTIPLE BUSINESS ASSETS
1. Division (i.e., non-entity administrative unit of entity)	No	No	Yes	Yes	No
2. Single-member LLC	Yes	Probably not. It is very clear that multi-member LLCs provide charging order protections, but far less clear that single-member LLCs can provide them.	Yes	Yes	Yes
3. Single-shareholder corporation	Yes. However, single-shareholder corporations are more exposed to the risk of veil-piercing than single-member LLCs because of their need to comply with complex corporate statutory formalities.	No	No	Yes	Yes

TABLE 4: TYPES OF BUSINESS ENTITIES AVAILABLE TO GROUPS OF TWO OR MORE INDIVIDUALS OR ENTITIES FORMING MULTI-OWNER BUSINESSES; COMPARISONS AMONG THESE ENTITIES ON THE BASIS OF KEY BUSINESS ORGANIZATION LAW FEATURES

STATE-LAW BUSINESS ORGANIZATION FORM	LIABILITY SHIELD	CHARGING ORDER PROTECTIONS	USER-FRIENDLY MANAGEMENT STRUCTURE	CONTINUITY OF LIFE	EASY TRANSFER OF MULTIPLE BUSINESS ASSETS
1. General partnership that is not a limited liability partnership (“LLP”)	No	Yes	Yes	Limited. Needs at least two partners in order to exist as a legal entity.	Yes
2. General partnership that is an LLP	Yes. However, in New Hampshire and several other states, the liability shield of LLPs is merely a “partial shield.”	Yes	Yes	Limited. Needs at least two partners in order to exist as a legal entity.	Yes
3. Limited partnership that is not a limited liability limited partnership (“LLL”P”) and whose general partner is not an LLC or corporation.	General partner has no liability shield.	Yes	Yes	Limited. Needs at least one general partner and one limited partner in order to exist as a legal entity.	Yes

STATE-LAW BUSINESS ORGANIZATION FORM	LIABILITY SHIELD	CHARGING ORDER PROTECTIONS	USER-FRIENDLY MANAGEMENT STRUCTURE	CONTINUITY OF LIFE	EASY TRANSFER OF MULTIPLE BUSINESS ASSETS
4. Limited partnership with general partner that is an LLC or a corporation	Both the general partner and the limited partners have a full liability shield.	Yes	No	Limited. Needs at least one general partner and one limited partner in order to exist as a legal entity.	Yes
5. LLLP	In New Hampshire and several other states, the liability shield of the limited partners is merely a “partial shield.”	Yes	Yes	Limited. Needs at least one general partner and one limited partner to exist as a legal entity	Yes
6. Multi-member LLC	Yes	Yes	Yes	Yes	Yes
7. Multi-shareholder corporation	Yes. However, multi-shareholder corporations are more exposed to the risk of veil-piercing than multi-member LLCs because of their need to comply with complex corporate statutory formalities.	No	No	Yes	Yes