

Essential Terms:

Business Formation & Compliance

Annual Report/Filing: An annual document that your business is required to file with the state (like the Secretary of State) to keep your registration and owner information current and maintain the company's "good standing."

Articles of Formation / Incorporation: The official document filed with the state to legally create and register a new business entity (like an LLC or Corporation).

Breach: The failure to perform any term, promise, or obligation specified within a contract.

Bylaws / Operating Agreement: The internal contract that governs how a business entity is managed, detailing roles, voting rights, and how major decisions are made.

Corporate Formalities: The necessary steps and procedures (like holding annual meetings or documenting major decisions) that Corporations and LLCs must follow to maintain their liability protection.

Corporation (C-Corp / S-Corp): A business entity that is legally separate from its owners (shareholders) and offers the strongest protection from personal liability.

DBA ("Doing Business As") A trade name (or fictitious name) that a business uses to operate publicly that is different from its official, legal entity name.

Dissolution: The legal process of closing down a business entity, which involves winding up all financial affairs and filing final paperwork with the state.

Fiduciary Duty: A legal duty of trust that requires an officer or director to act solely in the best financial interest of the business and its shareholders.

Good Standing: A status that indicates a business has filed all required annual reports and paid all necessary state taxes, maintaining its legal right to operate in the state.

Indemnification: A contractual agreement where one party promises to reimburse or cover another party's loss, liability, or legal fees under specific conditions.

Injunction:	A court order that legally requires one party to either start or stop a specific action.
Limited Liability Company (LLC):	A business structure that provides owners with liability protection while offering flexible management and pass-through taxation.
Non-Disclosure Agreement (NDA):	A legally binding contract used to protect confidential, proprietary, or sensitive information shared between two or more parties.
Partnership / LLP:	A business formed by two or more owners who agree to share the profits, losses, and management duties.
Pass-through Entity / Taxation:	A business structure (like an LLC or S-Corp) where the profits and losses are not taxed at the business level. Instead, the income "passes through" directly to the owners' personal tax returns, where the owners pay the income tax. The business itself pays no corporate income tax.
Registered Agent:	A person or company authorized to receive all official legal and tax documents on behalf of a business, in its state of formation.