



HUNTER HODGES  
*Attorney at Law*

## ENTITY FORMATION GUIDE



There a good number of reasons you could be considering forming a legal entity such as starting a new business, optimizing your tax situation, and protecting your personal assets from potential business liabilities. You will have decisions to make including what type of entity to form (e.g. LLC, Corporation or Non-Profit) and how the entity will be ran.

The purpose of this Entity Formation Guide is to provide you with information to better ***understand the legal process*** of forming a legal entity in the State of Alabama. At this point, you may be interviewing attorneys to handle the formation for you or even looking at the DIY online options. Either way, this can be your starting point.

While this Guide is not meant to be comprehensive, I hope you will find the general information helpful. This can help you prepare for our initial consultation and provide clarity for the attorney-client relationship. I hope we have the opportunity to work together. Please do not hesitate to contact me with any questions.

Sincerely,

*Hunter Hodges*

# THE FORMATION PROCESS

Formation is the legal process of establishing your entity according to Alabama and federal law. Ideally, you will consult with an attorney and Certified Public Accountant (CPA) prior to forming the entity. That ensures you have a comprehensive understanding of the formation process. On the legal side, here is a summary of the steps:

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## **INTAKE PROCESS**

You will begin by completing an intake form / questionnaire. This step is important as I will need accurate information in order to draft the formation documents.

## **INITIAL MEETING (OPTIONAL)**

This is usually a 30-to-60-minute consultation during which we can review your intake form submitted prior to the meeting and discuss your options. This can be done by phone, videoconference or in-person. For simple formations, such as a single-member LLC, the initial meeting may not be necessary.

## **DOCUMENT DRAFTING**

After the intake form has been received and initial meeting has occurred, I will prepare the documents necessary to form the legal entity. Once drafted, you will review and sign. The documents will be filed electronically with the Secretary of State of Alabama.

## TIMELINE

Once the intake form has been fully completed, the initial meeting has occurred, and payment has been received, I can usually have the formation documents ready for signature(s) within two (2) weeks. However, some deals require rush formation, which I may be able to accommodate.

## FEES

Attorney fees start at \$299 for a single-member LLC. The State of Alabama charges filing fees totaling approximately \$236 for every LLC formation, which the client will owe in addition to the attorney fee. If you contact me and provide some basic information about your plans, I will likely be able to quote the exact total, inclusive of attorney and filing fees.

The fees for multi-member LLCs and non-profit corporations will vary depending on the specific circumstances. Still, I can usually provide an exact quote if you provide some basic information about your plans.

## COMMUNICATION PROTOCOL

I communicate by phone, email, videoconference and in-person meetings. I try to customize the communications according to my client's preferences and situation. My goal is to return all phone calls within 48 hours and respond to emails within 48 hours.

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