

## I) Torts and Crimes

1) While I hope it is safe to assume that your business will not intentionally engage in any illegal activity, all businesses have some concern for illegal activity done to them or by their employees. Discuss any risk of criminal activity in your business and how you might take steps to protect your business from liability.

Insider trading,

2) While I hope it is safe to assume that your business will not intentionally engage in any tortious activity, all businesses have some concern for torts activity done to them or by their employees. Discuss any risk of tort or negligence in your business and how you might take steps to protect your business from liability.

Negligence

## II) Agency and Employment

1) Discuss your organization structure (org chart). How will you divide duties amongst leadership? How will you structure your operations?

As far as leadership goes, since we are an LLC we must include our legal entity. However, they do not have a say in any of the decisions they just provide funding. On the opposite hand any investors that we have will be providing money and their opinions to us as a company. Any owners we have will be combined together to oversee all other aspects of the company. Those other aspects will include our large international affairs programs. Since we will have products in many countries our communications people will handle most of the negotiating that has to do with that. The project managers will each have a job to oversee at least one, but possibly more, of those international affairs. That leads me into our marketing and product heads. Our product heads and their creators will have the job of staying up to date with the latest and most innovative ways of creating non-cruelty, natural make-up products that go along with the latest and greatest trends. Our marketing head and team will then have the job of selling the product. To companies, online, to the public of America. Their one and only job is to take the funding they have and sell the product. Our finance team will clearly handle all of the profits, investments, and deposits. They are in charge of keeping all other component's spending in budget, handling payroll, taxes, and profits while keeping in touch with the owners and managerial staff on matters of the company's money.

2) Discuss your approach to workers in your business. Do you expect to hire employees or independent contractors? What steps will you take to ensure your workers are properly classified?

When we approach the workers in our business we plan to hire employees as well as be independent contractors. Having both in our company will increase sales as well as provide leadership roles in the company. To make sure the workers are properly classified we will make sure to collect social security and income taxes from the employee's paychecks. Also needed Medicare taxes and pay unemployment tax on wages paid to an employee need to be taken

out. In addition other tax issues like provision of certain employee benefits, depend upon the proper classification of workers. We would also need to provide evidence of the degree of control and independence such as behavioral control, financial control, and the type of relationship. Behavior control consists of if the business has the right to control how workers perform their task hired for. Financial control consists of whether the worker has the ability to affect financial decisions. And finally type of relationship consists of everything the business and worker have a contract with.

3) All businesses must comply with many employment laws. Given the nature of your business, discuss which employment laws are of most concern to you (safety laws, financial laws, etc.) and how you plan to protect yourself against liability.

Safety laws