

# Growing pains: Balancing legal compliance challenges with business growth

For businesses, the pressure to grow is persistent and unwavering – growth defines success. But strategies that keep you innovative, relevant, and competitive can bring new and sometimes unexpected compliance challenges. Staying in compliance is not always top of mind, and keeping track of changing regulations and requirements can be burdensome. If you fail to stay in compliance, you’ll find the costs and consequences multiply. Experience has proven there’s a better way.



## Examples of compliance needs triggered by growth events

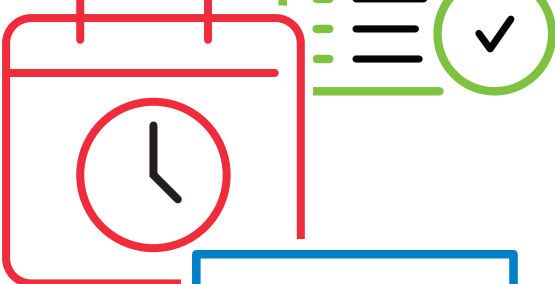
### Adding or eliminating a product or service

- Update business licenses
- Obtain a good standing certificate
- Filing or cancelling a DBA



### DBA (assumed name filing)

- File a DBA name change request with your county clerk’s office



### Change in entity structure

- Conversion filing (if applicable)
- Merger filing (if applicable)
- Post-merger/conversion filings in foreign states
- Make sure company is in good standing
- Draft new governing document (bylaws, operating agreement, etc.)
- Update business licenses
- Assumed name filings



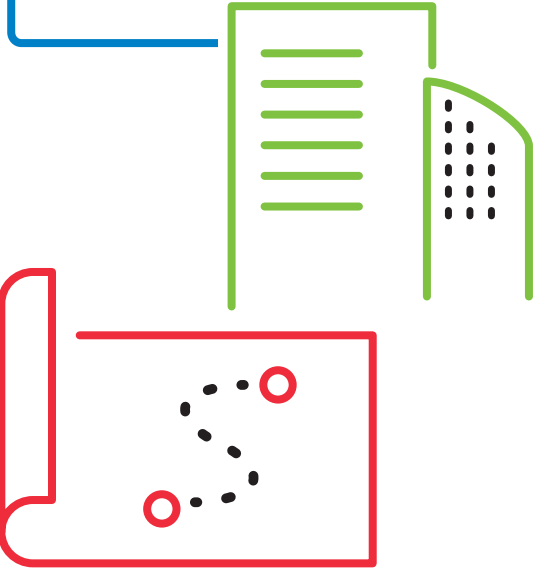
### Exiting a state

- Withdrawal filing
- Pay all taxes
- Obtain tax clearance letters
- File delinquent annual reports
- Cancel/update business licenses
- Assumed name/DBA cancellations



### Relocating principal office

- Update Articles of Incorporation
- Update Certificate of Authority (in qualification states)
- Update business licenses
- Provide Registered Agent with new address
- Foreign qualify if relocating to a new state
- Notify required parties of change of address
- Update tax departments
- If also registered office, file change document



### Hiring employees

- Payroll requirements
- Benefits and insurance
- Wage garnishment orders (service of process)
- State and federal tax reporting and payments

### Doing business in a new state

- Name availability/reservation
- Obtain a good standing certificate
- Foreign qualify
- Registered Agent
- Business licenses
- Annual report requirements
- State tax filings

### Refinancing your business

- Conversion filing (if changing entity type)
- Obtain good standing
- Reinstate (if administratively dissolved)
- Independent director services

### Merger/conversion/spin-off

- Due diligence
- Make sure company is in good standing
- Articles of merger/conversion
- Name availability/reservation if same for surviving/converted entity
- Qualification or withdrawal (depending on states where business is to be conducted post-transaction)
- Annual report requirements
- Franchise tax requirements

### Failure to comply can bring the biggest consequences

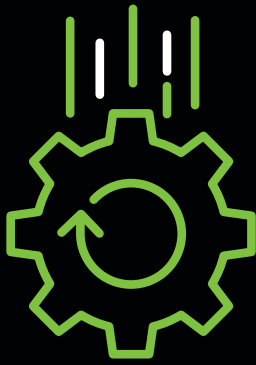
- Loss of name
- Loss of access to courts
- Penalties and fines
- Administrative dissolution
- Personal liability
- Tax liens



### A better way to handle compliance

Companies in growth mode should focus on things like cash flow, finding the right talent, and business operations. Your business shouldn’t have to pay the price in administrative burden and wasted time to stay in good standing.

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