

# Early-Stage Corporate Decisions Create Later-Stage Consequences

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James T. (Tim) Shearin, chairman of Pullman & Comley and litigation attorney, and Timothy G. Ronan, co-chair of the firm's Litigation practice, authored an article for *Bloomberg Tax* illustrating how corporate decisions made in early stages, such as type of business entity and which requirements will be imposed on those who manage that investment, can be critical.

Although tax and return on investment considerations often drive the formation of businesses, the attorneys advise clients to think about the worst-case scenarios and what-if questions that could aid in their protection down the line. They use the recent case of *Benjamin v. Island Management, LLC* as to illustrate the importance of these decisions.

"Although the outcome in this case resulted from the interpretation of a Connecticut statute, *Island Management* underscores a divide between the states as to an investor's right to inspect company records, making the message clear for all who are considering launching a business," they write. "The decisions you make early about your choice of entity and the care taken in the creation of its formative documents can have a significant impact on the company's future."

Read the full article on the *Bloomberg Tax* website.

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## Practice Areas

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