

BUSINESS TRANSACTIONS: REDUCING/MITIGATING LEGAL RISKS

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To be successful, managers and business owners increasingly not only need to learn how to ensure operational success, these professionals also need to be familiar with the law and understand the risks commonly attendant upon their business. The extent of risk and liability in your chosen business will depend on the nature of the services being provided and/or the products/goods being offered for sale/lease, as the case may be.

During the course of this presentation, we will explore the various types of risks that can impact your business.

COMMON BUSINESS RISKS

Choosing your business vehicle

- Sole proprietorship; corporation; partnership.

Contracts

- How should they be negotiated? What if I don't understand or don't like the provisions in a contract?
- What is the duty of good faith in performance of contractual obligations?

Assets

- What measures do I take to protect the proprietary interest in my business assets? Consider the following: tangible assets, such as building and inventory; intangible assets, such as intellectual property and human capital.

Employees

- The hiring process: employee agreements and offer letters.
- Post employment restrictive covenants.

Regulatory

- This is the risk of having your company's license to operate withdrawn or suspended by regulators.
- Alberta Energy Regulator; Alberta Securities Commission; Alberta Health

RISK MANAGEMENT

Due diligence

- What due diligence procedure do I employ? What due diligence procedure should I employ?
- Being Proactive.

Adequate Insurance

- How do you decide which peril to protect against and liability limits?
- To insure or not to insure: misappropriation by your employees; professional negligence; defective workmanship; personal injury in the workplace; property insurance; general liability insurance; etc.

Policies and Procedures

- What are they? How do I develop them and when should I develop them?
- Policies: vacation; vehicle use; drug use; harassment; etc.

CONCLUSION

Even when you are innocent, your reward is often payment for a legal defence. Legal fees are always higher in the context of a litigation than they are when taking proactive measures to prevent/reduce the risks of litigation. In other words, consultation fees will invariably be lower than litigation costs.