

"There is nothing
so powerful as truth"
DANIEL WEBSTER



NEW HAMPSHIRE

FINAL EDITION ☆

SUNDAY NEWS

UnionLeader.com

February 12, 2012

Vol. 66, No. 13 • 8 Sections, 112 Pages • \$2.00

"You saidfree?"



COHEN

*"... Years from now ... they'll say,
'You wouldn't believe it, some
crazy lawyers in Manchester,
New Hampshire, incorporated
us for free.'"*

STEVE COHEN
Devine Millimet

◆ **Incorporation program:**
Attorneys in Devine Millimet's
small-business practice hit upon a
plan to bring dozens of potential
long-term clients into the fold —
and help launch start-ups in the
process.

By DENIS PAISTE
New Hampshire Union Leader

MANCHESTER — Lawyers in Devine Millimet's small-business practice group took a bold gamble in fall 2010, offering free legal services to help new businesses get started.

"We thought we'd go out and do free incorporation as part of our commitment to the community," Steve Cohen, who chairs Devine Millimet's Chair, mergers and acquisitions practice group, said. "Help people who want to get into business, get into business."

It would mean work for younger lawyers in the firm's small-business practice group, chaired by Angela B. Martin. The group is made up of five corporate lawyers, an employment lawyer and an estate-planning lawyer.

But first the Business Launch Initiative had to go through Devine Millimet's board of directors, on which Cohen was serving at the time, to win approval to spend money for preparing materials and advertising.

"Then we had to sell it to our marketing team," Martin said. "We've got this great idea to give away legal services," she said, "and we're going through some tough economic times, we're not insulated from that our-



Linda Bournival of KMS Actuaries LLC, shown at her Manchester office, said her business is one of 66 new companies to receive legal assistance from the Business Launch Initiative during the formation of KMS last year.

DAVID LANE/SUNDAY NEWS



MARTIN

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ANGELA B. MARTIN
Devine Millimet

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"We had to say okay, we want a budget and we want to spend money to give away free legal services," Martin said.

In a recent interview, Cohen picked up the story. "Angela made a great

presentation to our board and ... our partners looked at us like we had three heads on," Cohen said.

"One of them said, let me get this straight, you're going to set up free incorporations, which businesses charge anywhere from \$750 to a

couple thousands dollars for, corporations and LLCs, you're going to do it for free? And we're going to spend money to advertise that we're going to give away these services?" Cohen recalled.

"I said, but the clients pay the incorporation fee, the hundred dollars," he said.

"They thought we were crazy and Angela persuaded them that this is an initiative that's good for the economy, and even if it's not good for us, it's our commitment to the community, help all these small businesses and people who want to go into business but don't know how to do it," he said.

Fast forward to January 2012, and

Free

Devine Millimet held a "birthday party" to celebrate the 66 new businesses established in the first year of the program.

Among those businesses are KMS Actuaries and Queen City Cupcake in Manchester; and CrossCurrent Communications LLC in Portsmouth. (See sidebar.)

"If you can help someone when they are just getting off the ground, they'll remember that," Cohen said.

Martin said businesses formations were spurred by the post-recession economy in which folks who had been laid off and had severance or other funds to tap decided to try going into business for themselves.

"The timing was just right and I think our timing was right and the market timing was right to do something," Martin said.

Cohen said the mix of new entrepreneurs was surprising. "All different ages are represented by the Business Launch clients," he said. "Everything from software companies to breweries to cupcake companies. It's just amazing the breadth of business activity that was there that was not being serviced because they didn't know how to do it and didn't want to spend the money to do it."

Martin said entrepreneurs face basic decision like whether they should set up as a sole proprietor, LLC or corporation or partnership.

People often don't have or don't want to spend money on legal fees when they are doing start ups, she said. "They think I'm smart enough, I can do this, I've got it handled."

"More often than not, that's not true," she said.

"You come to us, we go over your business plan — Are you hiring employees? Are you leasing office space? Are you protecting intellectual



The CrossCurrent Communications team, which incorporated as part of the new Business Launch Initiative at Devine Millimet, left to right, Barbara MacLeod, Stefanie Guzikowski and Melissa Paly.

COURTESY PHOTO

property? Taking a holistic view of what it is that you are doing, not just what type of company do you need," Martin said. "Then we actually put the appropriate legal documents into place."

"New Hampshire DRA (Department of Revenue Administration) has some ideas about what specific terms need to be in an operating agreement, which is an operative document for your LLC, but people just simply don't know," she said. "How would they know, they're not lawyers."

After a year, Devine Millimet is committed to continuing the free set-up program.

"I think it's still in the infancy. For 2012, we've already decided to run this program," Cohen said.

The program has been so popular that banks, accounting firms and insurance agencies have contacted Devine, Millimet to connect with busi-

ness launch clients.

Cohen, who helps owners buy and sell businesses, said as businesses are built up and successfully sold off, the firm needs to replenish those clients.

"I probably do about 12 to 20 transactions a year, where I sell companies," he said. Among other clients, Cohen represented Insight Technology and C.B. Sullivan, both sold to new owners in 2010.

The set-up program helps attract new clients, some of whom have gone to paying for other services such as estate planning, leases and employment agreements.

"So they're actually spending their money on their business, which is the way it should be," Cohen said.

"You've to take a long-term view of this," Martin said, noting that attrition might thin the ranks. Still, she said, "We're helping establish a foundation

of small-business clients for the firm, and those clients are going to grow."

Cohen has a vision for where the program's graduates will be in five years.

"I'd like to think that five to six years from now, some of these 66 businesses that we set up in the first year will be well-recognized, established, growing businesses with lots of employees, maybe multiple locations, maybe work outside of New Hampshire, ... Cohen said.

"... and when someone asks them how did you get started, they'll say, you wouldn't believe it, some crazy lawyers in Manchester, New Hampshire, incorporated us for free."

Devine, Millimet has offices in Manchester, Concord and Newport (estate planning).

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Continued from Page D1