

# Audit Services

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## **Legal Audits For Companies**

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You might think an audit is only for companies in trouble. In fact, well-run, successful companies use audits to improve performance and assure compliance with the many local, state, federal, and international laws and regulations.

Non-compliance with laws can cause sudden, significant losses. By uncovering problems earlier, you can save legal and other expenses – and you, your board, and your shareholders will rest easier.

The goal of an audit is to eliminate legal violations and improve a company's practices in chosen areas, such as procurement or intellectual property. The audit must be cost-efficient, thorough, and solution-focused.

We start by properly defining the problem and creating an audit plan. We will work with you and your management, inside counsel, outside counsel, and other advisers to begin the process.

We then conduct our investigation in a method best suited for your company. This can include questionnaires, document review, and interviews. Our analysis will review your compliance and practices from top to bottom. We will uncover your problems and report them to you in an actionable way.

A successful audit will generate solutions that improve your business, in addition to searching for non-compliance. The audit will generate best practices recommendations which will allow you to seize opportunity and to prevent liability.

### **Experience**

It is critical that your audit team have experience as executives and managers. With this background, they can more easily work with your company. An experienced business manager knows how companies work and realizes each company has its own unique, useful methods.

We perform audits in many different areas. Most clients choose a single area key to their company's operation to ensure this key area is in compliance with the law. Then, you can be assured you will be (1) avoiding unpredicted losses, and (2) taking advantage of all laws.

### **Benefits**

We will help your company focus on its bottom line and important business goals. Not only can future legal problems and costs be eliminated, but audits can also reveal unknown business opportunities such as capital allocation, areas for expansion, and even tax-friendly business structures.

The goal of an audit is to change things for the better and we can help you.

We wish you the best of luck with your business!

Cordially,



Charles B. Brown  
Principal

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*Our company needed to review its intellectual property portfolio and to ensure we were properly identifying and using all potentially patentable subject matter. [CorpLaw] generated a number of effective recommendations for our consideration. These recommendations improve the ways we take advantage of our intellectual property assets."*

*– Joseph T. Ruble  
VP, General Counsel  
CSG Systems, Inc.*

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*We generate best practices recommendations for you which will allow you to seize opportunity and/or to prevent liability.*

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## Audit Options

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This is a brief summary of various CorpLaw Audit options. If an audit in any area is desired, CorpLaw Associates would create the optimal scope of the audit depending on your unique business goals. We will also create a definitive Audit Plan with specific deliverables and deadlines. Training programs are also available for the below subject matters.

### ***Contract Compliance Audit***

Review your form customer and vendor documents and customized documents. Evaluate the adequacy of the documents to protect your legal interests. Assess the validity and usefulness of limitation of liability, no consequential damages, IP ownership, arbitration/mediation clauses, no-suit, and other clauses; advise on new clauses in light of company needs and the law. Analyze how the company handles contract non-compliance. Check loan and debt compliance covenants. Review bidding systems and contract compliance systems.

### ***Human Resources Audit***

Review company methods to classify employees and independent contractors. Examine employment policies regarding federal and state discrimination on the basis of race, religion, national origin, age, sex, sexual orientation, pregnancy, and disability. Review hiring and firing policies. Assess hiring and firing documents including employment applications. Evaluate employee handbooks. Review federal citizenship requirements. Determine if key employees are signing enforceable non-competition agreements.

### ***Intellectual Property***

Review your intellectual property (“IP”) assets- patents, copyrights, trademarks, trade secrets (e.g., customer lists), and proprietary information to determine if your IP is optimally supporting your goals. Ensure that you have adequate legal title to your IP. Review the company’s processes to create, capture, use, and protect IP. Address offensive and defensive considerations. Create guidelines and systems to create, capture, use, and protect IP. Review infringement monitoring and reporting practices. Determine if key employees sign enforceable

non-competition agreements. Assess if your contractors pass title to their inventions and work product to the company.

### ***Internet Issues***

Review the ownership of your web assets including copyright, graphics, and domain names. Check whether the company infringes other company’s rights. Check Web Development and Service Level Agreements to ensure you are getting the best support and protection. Do you properly document the receipt of employment applications and customer information collected on your web site? This information is subject to state and federal privacy protections. Do you have consents for website links?

### ***Corporate Structure***

Check that you are holding shareholders’ and directors’ meetings and prepare minutes. Is the company complying with these minutes? Review that officers are acting in accordance with their authority. Examine whether documents are being properly retained. Review Buy-Sell Agreements. Evaluate whether the contingencies in the Buy-Sell Agreement are still appropriate due to changes in circumstances. Assess if all stock has been properly issued. Review ownership documentation for subsidiaries.

### ***Litigation Management***

Does the company obtain 90-day Early Case Evaluations? Does the company use Litigation Plans? Analyze how you hire, pay and manage outside counsel. Review litigation information systems to see how litigation information is communicated to and acted upon by senior management. Assess choice of jurisdictions. Review cost, efficiency and quality of counsel. Determine if company is making adequate use of early settlement options, ADR (Alternative Dispute Resolution), and state-of-the-art settlement analysis approaches such as decision tree analysis.

Other miscellaneous areas include Software Audits, Environmental Audits and IT Audits.

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#### **About CorpLaw Associates LLC**

CorpLaw Associates LLC is a law firm of experienced business attorneys who deeply understand their clients’ businesses and who use best practices to achieve their clients’ business goals. The firm provides full support for businesses. For clients who need on-site legal help, CorpLaw is one of only a few firms that specializes in this model. Our mailing address is CorpLaw Associates LLC, 400 Central Avenue, Suite 150, Northfield, Illinois 60093. We can be contacted at 847.784.1300 or at firm@corplaw.com. Our web address is www.corplaw.com.