OVERVIEW: The project will be a written project worth 80 points. There will be four sections, each worth 20 points. Up to five points of extra credit can be earned by discussing other **important** legal issues NuCo may face in starting up and ramping up the business. No one can score more than 80 points, however.

The project should be six to eight pages, double-spaced, not including the title page and reference page.

The project will follow the steps of starting and ramping up a new business. Each section will address important elements in creating and initiating NuCo. You may name NuCo anything you wish. But you must make certain to make provisions to protect NuCo’s name and any appropriate intellectual property.

Jenna and Jim have worked together in the produce business for several years. Jenna is the produce buyer for an organic, whole-earth based, grocery chain. She buys bulk produce for the stores. Jenna must work full time at NuCo. She can invest $6,000.

Jim owns and operates a local food co-op. Jim grows a wide variety of organic vegetables, fruits, berries and flowers on twenty acres that he rents from Jack. Jim is the primary farmer, but he does hire seasonal help. Jim needs to work full-time for NuCo. He can invest $8,000.

Jack is a semi-retired farmer who recently suffered a serious heart attack. At the suggestion of his cardiologist, he has gone vegan for his health. Jack can work only ten hours a week for NuCo.. He wants to get a good return on his land by renting farmland to NuCo. He does not wish to invest cash in the business.. The land that he will contribute to NuCo is worth $ 80,000. NuCo will build a small refrigertated warehouse on Jack’s property. The farm equipment he will contribute is worth $6,000. The value of is entire farm is $520.000.

Jenna and Jim have talked many times about a business venture. Since the coop already leases land from Jack, jack is very interested in the business. NuCo would become a grower-wholesaler of organic produce to medium to large sized grocery stores and high-end and boutique restaurants.

They have put together a business plan and a five-year pro-forma. The business should work, but there are several structural, financial and business succession planning issues that must be addressed. If their business growth goes as plans, they will need to purchase product from other organic growers to meet their own

customers’ demand until they can grow all the produce they need to support their customers.

When addressing these issues, make sure to identify the issue, the relevant law, and describe a way or ways to address the issue.

General Business Model:

 A. Human Inputs:

1. Jenna will sell the produce to grocery stores and restaurants. She will negotiate prices and ensure delivery. How can she protect her interests in a full time job with Nuco?.

2. Jim will manage the farm.. How can he protect his interests in a full time job with NuCo?

3. Jack will devote ten hours a week to the business. How can Jack protect his interests in a part-time time job with NuCo?

B. Business Structural Issues:

1. What business structure/form should NuCo use? Why?

2. How will proportional shares/control of NuCo be addressed? How will Jenna be best protected? How will Jim be best protected? How will Jack be best protected? How will NuCo be best protected?

D. Contracting, Trademark and General Business Issues:

1. NuCo needs to know what laws apply to their sales of produce. They will be delivering their produce to the stores. What contracting issues should NuCo be mindful of? They will send an invoice with every shipment. Is there some special language they should put into the invoice to make sure that the grocery stores or restaurants cannot change the terms of the produce purchases? Are there other legal matters to consider?

2. Nuco will need a full-time truck driver to deliver the produce to the stores. The driver that they will use owns her own truck. Should she be hired as an employee or can she be an independent contractor?

3. The farm will need seasonal help. NuCO will likely hire local teenagers. What legal concerns will this create? What other laws will apply to the teenagers working on the farm?

4. How can NuCo protect any advertising slogans or marketing material it prepares.

EXTRA CREDIT. Five points possible for very important and relevant issues NuCo may face that are not set out in the assignment document. Describe the issue and the way(s) to address these issues(s)?