

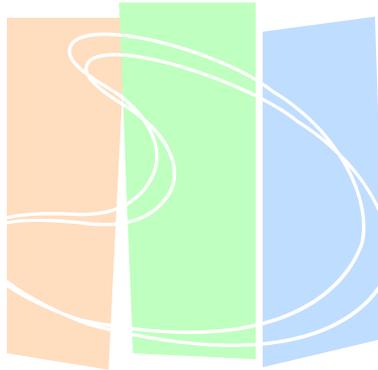
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Christopher T. Smith

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BUSINESS PLAN

Prepared (date)

Smith Jones, P.A. Start-up Business Plan

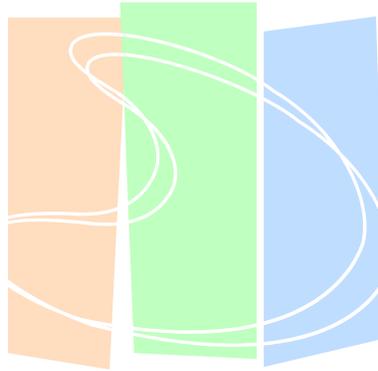
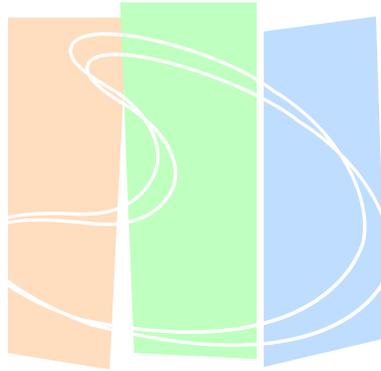


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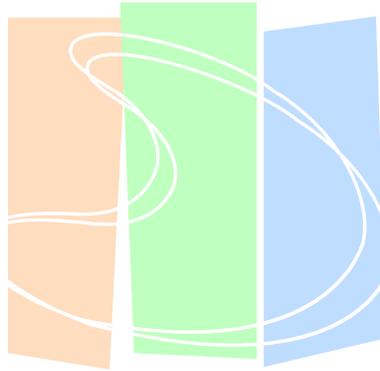


Pro Forma Financial Documentation

 Projected Case Loads and Total Investment Time.....

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Smith Jones, P.A. Start-up Business Plan



Executive Summary

Smith Jones, P.A., is a new law firm established on August 28, 2013. The firm's attorneys are (list names of partners). The firm's partners are not in this start-up alone, but wish to memorialize the help and efforts of friends and family in making Smith Jones, P.A., a reality.

The last quarter of 2013 will be spent planning and implementing the start-up phase of the law firm. The firm will be open for new clients on January 6, 2014. The firm will hold an open house on January 10, 2014.

This business plan is designed to document the planning and implementation information agreed to by the partners during start-up meetings. The business plan covers the firm's structure and governance, financial projections, equipment, software and supplies that will be in place by opening day. During the start-up phase, additional information will be added and this plan will be updated as a guide for operations of the firm.

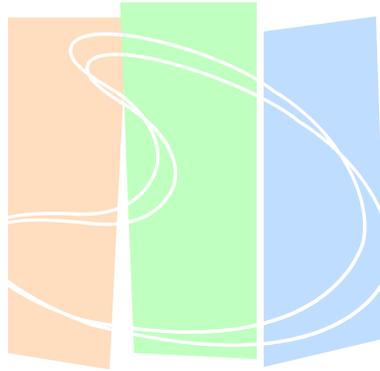
Structure and Governance

The firm has (insert number) partners working in firm. The firm is organized as professional association, and there is an elected managing partner who serves a term of two years. As compensation for management duties, the firm pays the Managing Partner \$1,000 per month. The initial capital contribution of each partner is \$5,000.00.

Legal Services Offered

Each partner has three years of legal experience in state government, in addition to two years experience as associate attorneys in private practice. As a group, the partners have solid working experience in the areas of civil litigation; elder law; family law; real estate; and trusts

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and estates. These services will be offered to new clients. It is a goal of the partners to have 350 active client matters by the end of the second year of operation.

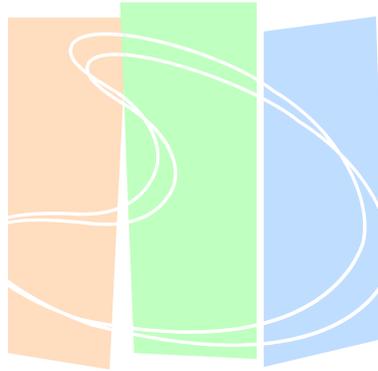
It is possible that the firm's partners may be asked to assist clients with matters in practice areas not listed above. Acceptance of work for prospective clients in practice areas not listed above requires the approval of all the partners to ensure the firm has the expertise to handle the work in the client's best interests. At this time, the firm has no defined referral network, but sees the need to develop one during the first year of operations. In the alternative, prospective clients the firm cannot serve will be referred to The Florida Bar's Lawyer Referral Service.

Administrative Management

Personnel. Firm management does not anticipate hiring associates until 2015. When the firm commences operations, there will be an on-call contract paralegal and part-time office manager/bookkeeper on staff. The firm will utilize Ruby Receptionists (\$240/mo) as its virtual receptionist and answering service. If it is determined there is sufficient paralegal work of at least 30 billable hours per week, and this work is no longer manageable using on-call contract paralegals, the partners will hire a full-time paralegal in order to hold down the cost of work to the clients.

Accounting. Mr. B. N. Counter, C.P.A., a relative and friend of Partner (name of partner) has agreed to provide discounted accounting services during 2014. The firm has purchased the cloud-based version of QuickBooks Professional Version financial management software for general ledger accounting, trust accounting, and timekeeping, billing and collections.

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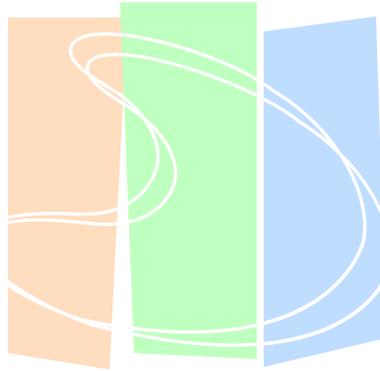


Hardware and Software Systems. In addition to QuickBooks Pro, the firm's partners have chosen GoClio, a cloud-based case management, Westlaw for legal research, and Microsoft 360 for MS Office applications such as spread sheeting, word processing, and presentation software. MS Outlook will be synchronized to the calendaring, contacts, and tasking features in GoClio. Each partner has a newer laptop, tablet, and smart phone. The firm has purchased one high speed digital printer/scanner, and an all-in-one (printer/copier/scanner/fax) for each partner. All client files are stored electronically and backed up to the cloud with GoClio. The firm's business records are stored electronically and stored in the cloud via QuickBooks Online. Practice specific software has been purchased and is available on the firm's server. Each partner has remote access connectivity to the firm's main server.

With the assistance of a local IT consultant, firm management will take the necessary steps (appropriate firewalls and e-mail encryption) to prevent access to client data. All employees and vendors for the firm must sign confidentiality statements. All paper documents will be shredded when no longer needed or their retention period has run.

Location and Security. Mrs. Marge Innovera, aunt to Partner (insert name), has agreed to rent space next to her company's home and office furniture and supply store on Courthouse Square; space that is currently vacant. The space has a separate waiting area, a break room, a 14 x 16 room suitable for conferencing, a 10 x 12 room suitable for conferencing or a private working environment, and one open space (former showroom) that is suitable to be divided into work cubicles for the partners and staff. The firm will pay \$1,500 per month (utilities included) for rent. The firm has purchased recently de-installed (used) cubicle furniture and

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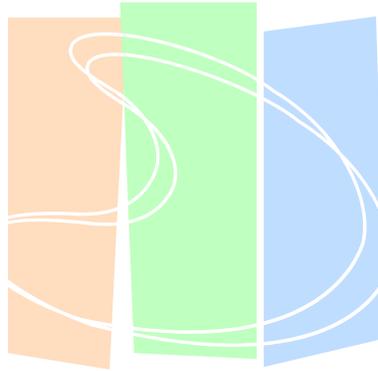
dividers from Mrs. Innovera for \$2,000.00. During 2013, the partners (and their friends and family) have acquired used furniture and accessories to outfit the rest of the space. The Innovera Furniture Store has nighttime security, and for \$200.00 per month, security personnel also will provide nighttime security for the firm. Visitors to the firm during business hours will be confined to the waiting area until escorted into the main space by firm personnel.

Insurance Portfolio. The firm has acquired basic lawyers' professional liability insurance for \$7,000.00 for the first year. The firm makes quarterly payments on the LPL policy. The firm has acquired general liability insurance on the premises, contents and valuable data for \$2,400.00 for the first year. per year. Each partner is required to obtain his/her own disability insurance. For 2014-2016, the partners will be covered on their spouses' health insurance.

Marketing Plan

Market Opportunity. There are over x,xxx Florida Bar members in the Second Judicial Circuit (the six counties comprising the greater Tallahassee service area). However, a large portion of these lawyers are employed by government. The population of the firm's service area tops 400,000. In Leon County, the rate of adults holding advanced college degrees is twice the national average. As the capitol of the third most populous state, the local populace includes a large middle class. We have determined through local research that the middle class is underserved by the available lawyers; there are not enough lawyers to serve the populace in the Second Circuit. It is well known that state capitols tend to be recession proof. Furthermore, legal plans (insurance) are popular among the middle class. The firm has joined ARAG Group legal plan as a provider of legal services.

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Acquiring Clients and Initial Marketing Strategy. The firm’s partners have an excellent network of trust relationships in the service area. Each partner is required to belong to two community-based organizations. The partners have met to ensure that memberships in these organizations do not have conflicting missions.

In order to create a positive firm image (branding), the partners will vote and agree to make time and/or monetary contributions to only two charities in the first two years of operation. This limit does not include “tombstone” promotions and advertisements in charitable, civic and school event programs.

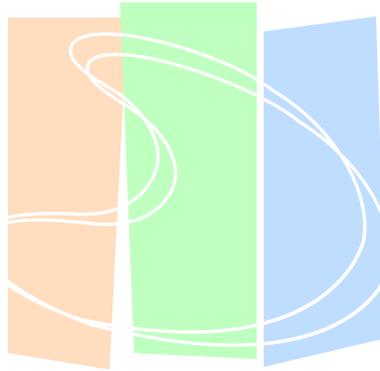
The firm plans to establish itself as an affordable alternative for legal services in the areas of civil litigation; elder law; family law; real estate; and trusts and estates. The firm already has commitments from over 125 prospective clients wishing to retain the firm.

The firm’s partners have committed to cross-selling efforts. We will strive to promote all of the firm’s services in marketing situations, and have made provisions in the firm’s compensation system to reward cross-selling originations.

Competition. Our market research indicates that Smith Jones, P.A., will be able to offer legal services for ten to twenty percent less than other firms by leveraging forms software, utilizing superior records and knowledge management processes. The partners are also willing to accept less compensation during the first two years of operation to ensure there is sufficient operating capital.

Website. The firm’s website will be launched in December and will prominently announce the firm’s opening date. The firm’s partners have chosen a local website designer and have reviewed several well-regarded law firm websites. The website designer and the

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partners have met on numerous occasions to review the Florida Bar Ethics Department's Advertising Handbook. The website will include enhanced contact information. It will include numerous ways to contact the firm's partners. The partners have prepared articles describing the firm's services along with helpful links to important education for clients about the sale and purchase of real estate, title insurance, estate planning, elder law and family law. This information also will be available in paper format to visiting clients and prospective clients.

Client Service. The firm's case management system, GoClio, includes a client portal feature. This will enable clients to view their documents and messages anytime. Nonetheless, the firm's intake process includes asking clients how they wish to communicate with the firm's partners. In this way, the firm can accommodate their requests and avoid misunderstandings. The firm's partners will meet every two weeks to discuss case status and workflow, as well as other management issues. In the first two years of operation, regular bi-weekly meeting dates will be set on the office calendar to discuss the status of cases and marketing efforts. Depending on the needs of the clients and management needs, regular partner meetings may be moved to a monthly basis.

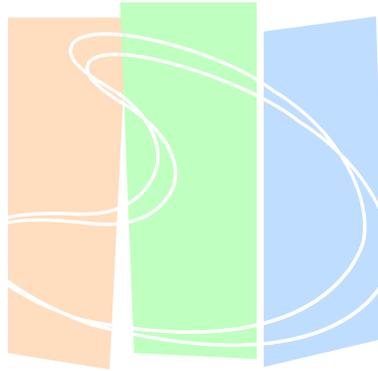
The partners have agreed to undergo additional training in time management, client relations and how to handle difficult people.

The firm will utilize a client survey to be given to the client after work is completed. The survey can be returned anonymously to the firm's accountant.

Pro Forma Financial Documentation

Projected Case Loads and Total Investment Time. The firm's partners have agreed upon certain work/life balance principles. At all times, the firm's partners will operate under a

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compensation system that rewards each partner's total investment time in the firm. This investment time includes origination, case management, case processing, and firm management.

The partners will record all time worked on behalf of firm operations. The attached pro forma financial documents will reflect that no partner will work more than 2,400 hours on behalf of the firm (46 weeks x 50 hours). If any partner finds the need to work longer hours, the firm's partners will take the matter up a partners' meeting and will discuss the need for an associate attorney(s). Individual time budgets are attached to this business. Individual time budgets provide for a fair distribution of work based on the partners' individual talents. That is, it is acknowledged that some are more suited to management whereas others are more suited to marketing activities.

Projected Fees. Insofar as firm management intends to concentrate on middle class clients. Fees for residential closings are expected to fall in the \$1,000 to \$2,500 range. Preparation of basic estate plans will range from \$500 to \$750. In the first year of operations, hourly rates for partners will range from \$175 to \$225. Paralegal work is outsourced and so is a pass-through cost to clients.

Attachments:

Projected Cash Flow Statement