

# Business Formation

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## Overview

“Where clarity meets action. Strong foundations for new ventures.”

Filing articles of organization with the Secretary of the Commonwealth takes about ten minutes online. Building a business entity that actually protects you takes considerably more thought. Every year, Massachusetts entrepreneurs form LLCs and corporations without operating agreements, without proper ownership documentation, and without understanding the compliance obligations that begin the moment the entity exists. The formation filing is the easiest step in the process. What follows are the internal governance documents, the ownership structure decisions, and the tax election analysis, which determines whether the entity serves as a genuine legal shield or a hollow formality.

Cohen Cleary works with entrepreneurs, startup founders, and growing companies across southeastern Massachusetts to structure business entities that align with their operational goals, liability concerns, and long-term plans.

## How We Help Businesses Form the Right Legal Structure

Entity selection is not a one-size-fits-all decision, and the right structure depends on factors that vary significantly from one business to the next: the number of owners, the intended management structure, the nature of the business’s liabilities, the founders’ personal tax situations, and the company’s plans for raising capital or bringing on additional partners.

We advise clients across the full range of entity types available under Massachusetts and Rhode Island law: limited liability companies (single-member and multi-member), S-corporations, C-corporations, general and limited partnerships, and sole proprietorships. For each client, we evaluate not only which entity type fits their current operations but how the choice will affect their ability to grow, restructure, or exit in the future.

Beyond entity selection, our formation work includes drafting operating agreements and shareholder agreements that address the governance questions new business owners rarely anticipate: capital contribution obligations, profit distribution methods, decision-making authority, restrictions on ownership transfers, and buy-sell provisions in the event a member departs or becomes incapacitated. We also handle intellectual property assignment agreements, ensuring that IP created by founders prior to formation is properly transferred into the entity. And because formation decisions directly shape succession and exit options years down the line, we build those considerations into the initial document structure rather than treating them as afterthoughts.

We tell our clients that the entity type is the frame of the house. The operating agreement is the load-bearing wall. Skipping one to save on formation costs is the kind of decision that looks reasonable right up until it becomes very expensive.

## Why Choose Cohen Cleary's Business Formation Attorneys

At Cohen Cleary, our practice teams combine deep subject-matter experience with disciplined execution and responsive client service. We do not take a one-size-fits-all approach. Every matter is handled with careful preparation, clear communication, and a strategy tailored to the client's goals and the realities of the forum.

Clients choose Cohen Cleary because we deliver:

### Practice-Focused Legal Experience

Our attorneys work in defined practice areas, allowing us to develop practical insight into the legal, procedural, and regulatory nuances that matter most in each case. This focus allows us to anticipate issues, avoid unnecessary delays, and position matters for efficient resolution.

### Clear Guidance and Proactive Communication

We prioritize clarity at every stage. Clients receive straightforward explanations of their options, timely updates on developments, and practical advice grounded in real-world outcomes.

### Strategic Advocacy with Trial Readiness

Whether a matter calls for negotiation, mediation, or litigation, our attorneys prepare every case with discipline and foresight. We pursue efficient resolution when possible and are fully prepared to advocate aggressively when necessary to protect our clients' interests.

### Regional Knowledge and Local Presence

With offices throughout Massachusetts and experience across New England courts and agencies, we bring local insight and regional reach to every matter.

### Client-Centered Service

We treat every matter with urgency and respect. Our clients rely on us for responsive service, sound judgment, and steady counsel through complex legal challenges.

In our business formation work, this approach helps clients navigate entity selection and foundational governance with clarity, efficiency, and confidence.

## Our Approach to Incorporating and Forming Business Entities

Every formation engagement begins with an assessment of the client's business model, ownership structure, and growth trajectory. We work through entity selection methodically, weighing liability exposure, tax treatment, compliance burden, and exit flexibility before recommending a structure. Once the entity type is determined, we draft the foundational documents, file the necessary formation paperwork with the appropriate state agencies, and advise on immediate post-formation requirements, including EIN registration, annual report obligations, and registered agent designation. Clients leave with a complete formation package, not just a filing confirmation.

## Serving Entrepreneurs Throughout Massachusetts and Rhode Island

Massachusetts requires every LLC and corporation to maintain a registered agent with a physical street address in the Commonwealth, and the Corporations Division enforces annual report filing deadlines that, if missed, can trigger administrative dissolution without advance warning. Rhode Island imposes its own formation and reporting requirements through the Secretary of State's office. Cohen Cleary handles formation filings under both states' frameworks, with offices in [Taunton](#) and [Plymouth](#) serving entrepreneurs throughout Bristol County, Plymouth County, and the Greater Boston area.

## Schedule a Consultation With a Massachusetts Business Formation Attorney

The decisions you make during formation shape your business's legal exposure for years. Before filing online or relying on a template, speak with an attorney who can evaluate your specific situation and build a structure designed to hold. Contact Cohen Cleary to schedule a business formation consultation.

## Frequently Asked Questions About Business Formation

### What is the difference between an LLC and a corporation in Massachusetts?

An LLC offers a flexible management structure and pass-through taxation by default, meaning profits and losses flow directly to the owners' personal tax returns. A corporation provides a more rigid governance framework with officers, directors, and shareholders, but it may be better suited for businesses planning to raise outside investment or issue stock. S-corporations and C-corporations carry different tax treatment as well. The right choice depends on your ownership structure, growth plans, and how you intend to compensate owners and employees.

### Do I really need an operating agreement if I'm the only member of my LLC?

Yes. Massachusetts does not require a written operating agreement, but operating without one means your LLC is governed entirely by default statutory provisions, which may not reflect your intentions. A single-member operating agreement establishes your management authority, documents your capital contributions, and reinforces the separation between you and the entity. That separation is what courts examine when deciding whether to "pierce the corporate veil" and hold you personally liable for business obligations.

### What ongoing compliance requirements apply after I form my business in Massachusetts?

Massachusetts LLCs and corporations must file an annual report with the Secretary of the Commonwealth, maintain a registered agent with a physical address in the state, and keep their records current with the Corporations Division. Failure to file annual reports can result in the administrative dissolution of the entity. Depending on the entity type, there may also be state tax registration requirements, employer withholding obligations, and local licensing or permit requirements specific to your industry.

### Can I convert my sole proprietorship to an LLC without starting over?

You can form an LLC and transfer your existing business operations into it, but this is not a simple name change. The process involves forming the new entity, transferring assets, reassigning contracts and licenses, updating bank accounts and tax registrations, and ensuring that liabilities incurred under the sole proprietorship are properly addressed. Done correctly, the conversion provides liability protection going forward. Done carelessly, it can create gaps in coverage and unintended tax consequences.