

# One-Person Hat Shop with Transfer

E is an entrepreneur who's had success with a number of her ventures. Her latest project is an apparel company that makes custom baseball hats. These hats aren't just ordinary: they combine regional professional team logos with her personal artwork. She's an experienced artist and has also gotten licensing rights from the teams whose logos she uses. Though E has gotten advice from an IP attorney that she won't have any trouble with IP issues, she'd like to establish the business as a formal entity.

E's friend, F, is also an artist whose style beautifully complements E's. F has contributed a few designs that have sold just as well as E's originals. To pursue her next venture, E is considering transferring the business to F once it's further established. But first, E also needs to decide where to establish the business: New York or New Jersey. E and F live in a town bordering both states, and their biggest concern is minimizing their total tax liability. They are each in the same individual income tax bracket. E has not given F any restrictions on what to do with the business if she turns it over, but F wants to continue operating it at roughly the same scale that E currently is. Neither are inclined to pursue any outside funding, but would consider the right offer sometime in the future.

## Details

- One Person
- Sale of Goods
- Low Liability

## Issues

- Transfer of Business
- IP Protection
- Tax Considerations

## Complexity Tags

- Memo Needed