



MONEY BOOKSHELF

Business law guide is fun, informative

The Entrepreneur's Guide to Business Law,
 By Constance E. Bagley and Craig E. Dauchy
 (West Educational Publishing; \$19.95),
 546 pages.

By Richard Willing
 USA TODAY

Don't you love stories like Pete Slosberg's?

Pete's hobby was brewing beer at home, and his friends and neighbors couldn't get enough of the stuff.

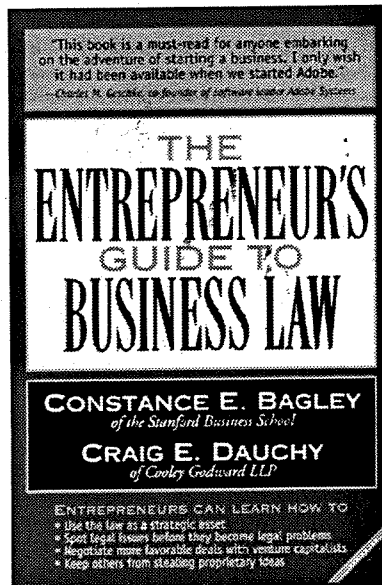
In 1986, armed with \$50,000 that his friends put up, Pete decided to see if the public agreed. The first 500 cases went so quickly that he decided to quit his day job and make beer full time. Five years later, Pete's Wicked Ale was selling 200,000 cases annually and doubling sales each year. Pete was laughing (and burping) all the way to the bank.

None of this surprises Constance Bagley, a Stanford professor, and venture capital lawyer Craig Dauchy. They operate in northern California, where entrepreneurs routinely hit the long ball. The next part of the story is where they come in.

Seems Pete decided to use a picture of his pet bull terrier, Millie, on the label of Pete's Wicked Ale. Shortly thereafter, Anheuser-Busch, the world's largest brewer, began to use another dog, Spuds McKenzie, in its own ad campaign.

Ominous letters ensued. Legal fees mounted. Underdog Pete incurred costs he could have avoided.

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This book is a good start. Workbook-style, they offer 15 chapters on how to handle the legal side of keeping your start-up sparking. Issues ranging from leaving your employer (without getting sued), to choosing a lawyer, to raising money and going public are handled in clear, succinct fashion. The chapters are related but can be read in any order.

But to market *The Entrepreneurs Guide to Business Law* as a desk reference is to sell it short. This is a storybook, too, about a pair of irresistible subjects: money and power.

The most memorable part of each chapter is a feature called "From the Trenches" — real-life examples of money made, money lost, and money spent resolving avoidable legal problems.

My favorite: a man whose idea for a Mexican restaurant too closely resembled a joint that already was up and running. His court-imposed penalty: placing a sign in front of his own restaurant acknowledging that he had cribbed from the restaurant down the street.

Another useful device: following an imaginary entrepreneur, Alexandra Scott, as she starts her own Internet-related company. Alexandra ap-

pears in each chapter, hiring a lawyer, signing an employment contract, negotiating benefits or otherwise putting into action the lessons the chapter covered.

The advice appears solid. Of course, Bagley and Dauchy favor hiring a lawyer to prepare documents even when readily available generic forms would seem to do. That's more work for folks like them.

On the other hand, they're quick to reveal tricks of the trade.

They warn the unwary about bill-padding and other practices that can run up legal costs. Most revealing is the schedule of hourly fees mentioned in one of the hypothetical cases: \$330 for a top man at a venture-capital firm; \$150 for his young associate; \$225 for a midlevel practitioner with her own shop.

The authors say their book is intended primarily for people interested in starting a company or investing in a company that is starting up.

To that they could easily add "and for people just having company for dinner." That's because *The Entrepreneurs Guide to Business Law* makes for great conversation.

Cooley Godward LLP