



Small Business Development Center (SBDC)

UNM-Valencia Campus
280 La Entrada Road, Los Lunas, NM
(505) 925-8980

Business Licenses:

Valencia County -	501 Luna Ave., Los Lunas	505-866-2050	\$25/yr
Los Lunas -	660 Main St., Los Lunas	505-839-3840	\$25/yr
Belen -	100 S. Main St., Belen	505-864-8221	\$35/yr
Bosque Farms -	1455 W. Bosque Loop	505-869-2358	\$35/yr
Peralta -	90-A Molina Rd., Peralta	505-869-2050	\$35/yr
Rio Communities-	360 Rio Communities Blvd.	505-861-6803	\$35-45/yr
Socorro-	111 School of Mines Rd.	575-835-0240	\$25/yr
Mountainair-	105 E. Broadway	505-847-2321	\$35/yr

Gross Receipts Tax (CRS ID #) – Reporting of gross receipts tax

Must submit an application for Business Tax ID # (CRS #). There is no fee to register, but must file (monthly, quarterly or semi-annually) even if there no tax collected. Can apply in person, by mail, or online.

Taxation and Revenue Department

Bank of the West Building
5301 Central Ave. NE
PO Box 8485
Albuquerque, NM 87198-8485
(505) 841-6200
Fax (505) 841-6326

Taxation and Revenue Department

1200 South St Francis Dr.
PO Box 5374
Santa Fe, NM 87502-5374
(505) 827-0951
Fax (505) 827-9876

Apply Online: tap.state.nm.us

(Federal) Employer ID # (FEIN): only needed if paying employees (for more information, visit www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Understanding-Employment-Taxes) – It is issued by the IRS (800) 829-4933 – IRS Business & Tax Line

Apply Online: <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

Corporations: Secretary of State – To register a LLC, Corporation, S-Corp, Partnership, etc.
State Capitol Annex North Building, 3rd floor, Suite 300, at 325 Don Gaspar, Santa Fe, New Mexico 87501
(505) 827-4508 or toll free at (800) 477-3632
sos.state.nm.us

Trademarks: Secretary of State – To register trademarks and general partnerships \$25 per Class Code and \$25 Application Fee
325 Don Gaspar, Suite 300, Santa Fe, NM 87503
(505) 827-3600
sos.state.nm.us/business_services

Basic Steps to Starting a Business

Section 1:

- Step 1. **Define the Business:** For whom, doing what, how and where
- Step 2. **Choose a Business Name:** If you are planning on using a web site then you should consider registering your trade name and logo with the U.S. Patent and Trademark Office. You can do the basic research at www.uspto.gov but will ultimately have to do a formal filing. The last thing that you want to happen is to receive a letter from some lawyer telling you to stop using the name you have chosen as it is trademarked.
- Step 3. **Choose and Register Your Legal Structure:** The choices of legal structure for a business are:
- Sole Proprietorship (Trademark filing is optional with Secretary of State)
- The following are registered with the Secretary of State, www.sos.state.nm.us who clears the name only in the state.
- Partnership
 - Limited Partnership
 - Limited Liability Partnership
 - Corporation (C-Corporation)
 - Limited Liability Company
- C corporations who wish to elect S corporation status should complete IRS form 2553 once their C corporation registration has been filed.
- Step 4. **Obtain your Federal Employers Identification Number (FEIN) from the IRS:** The application forms, SS-4, are available at www.irs.gov , by telephone, fax, the local IRS office or contact your closest SBDC for further assistance.
- Step 5. **Register with the State Taxation and Revenue for CRS tax number:**
<http://www.tax.newmexico.gov/Businesses/register-your-business.aspx>
- Step 6. **Obtain your Business License and Other Applicable Licenses**
- Step 7. **Report New Hires to the New Mexico New Hires Directory:** Federal and State law requires employers to report newly hired and re-hired employees in New Mexico to the New Mexico New Hires Directory.
<http://newhire-reporting.com/NM-Newhire/default.aspx>
- Step 8. **As soon as you start paying employee wages you need to fill out form ES802 on line with the New Mexico Department of Workforce Solutions.** <http://www.dws.state.nm.us/Business/Publications/Forms>
- Step 9. **If you have employees, contact the IRS and your State Taxation and Revenue Office or a tax accountant for the appropriate forms and rates for the following:** State Unemployment Tax (SUTA), Federal Unemployment Tax (FUTA), Federal Income Tax (FIT), State Income Tax (SIT) if applicable, Social Security Withholding (FICA), Medicare withholding, Immigration and Naturalization Service (INS) Form I-9 for Employment Eligibility Verification.
- Step 10. **Check with an Attorney Regarding Leasing Agreements, Contracts, Patents, Copyrights, Intellectual Property and Licensing Agreement Requirements.**
- Step 11. **Determine the Necessary Guidelines for Compliance with Title I and Title III of the Americans With Disabilities Act (ADA):** The latest information on this can be obtained on the following web site:
http://www.ada.gov/2010_regs.htm
- Step 12. **Establish a Business Bank Account:** If you plan to accept credit cards it may be necessary to setup a Merchant account.
- Step 13. **Check your Insurance Coverage:** The following are some, but not all, insurance policies you might consider:
- | | |
|---|--|
| Property and Liability | Life and Health: Basic and Major Medical |
| Business Interruption | Disability Income and Key Person |
| Product and professional liability | Insure major equipment for replacement value |
| Comprehensive general liability (umbrella policy) | Worker's Compensation: Required with 3 or more |
| Motor vehicle | Employees, contractors with no employees |

Section 2:

Patents/Trade names/Trademarks

U.S. Patent and Trademark Office
1-800-786-9199

www.uspto.gov

Office of the Secretary of State

New Mexico State Capital

325 Don Gaspar, Suite 300
Santa Fe, NM 87501
(505)8273600
N.M. Toll Free (800) 477-3632
Forms: www.sos.state.nm.us

If issuing securities:

Form: Form J Notice of Claim Exemption; Fee \$350
Regulation and Licensing: Security Division
Plaza San Miguel
725 St. Michaels Drive
(505) 827-7140

Internal Revenue Service

2945 Rodeo Park Drive E. Suite 2
Santa Fe, N.M. 87505
1-800-829-4933 (Phone application)
1-859-669-5760 (Fax. application)
Forms available: www.irs.gov

N.M. Taxation and Revenue Department

Manuel Lujan Building
1200 S. St. Francis Dr.
Santa Fe, N.M. 87505
(505) 827-0946
Register online:
<http://www.tax.newmexico.gov/Businesses/register-your-business.aspx>

City of Santa Fe Business Licenses

200 Lincoln Avenue
Santa Fe, N.M. 87501
Building Inspections: (505) 955-6646
http://www.santafenm.gov/doing_business_with_the_city#apply

County of Santa Fe Business Licensing

County Court House
102 Grant Avenue
Santa Fe, N.M. 87501
Building & Development Services, John Salazar 986-6229
jmsalazar@santafecountynm.gov
http://www.santafecountynm.gov/growth_management/building_development_services/permit_applications

Department of Workforce Solutions

301 W. DeVargas 2nd Floor
Santa Fe, N.M. 87501
(505)827-7437/7438
Forms Available: www.dws.state.nm.us

Copyrights and Intellectual Property

U.S. Copyright Office
Public Information Office (202) 707-3000
www.copyright.gov

Worker's Compensation Administration

810 West San Mateo, Suite A2
Santa Fe, NM 87505
(505)476-7381
<http://www.workerscomp.state.nm.us/about.php>

Occupational Safety and Health Admin. (OSHA)

827 Camino De Los Marquez, Suite 3
Santa Fe, N.M. 87502
(505) 827-4230
http://www.nmenv.state.nm.us/Ohsb_Website/index.htm

District 2 Environmental Department

#4 Calle Medico
Santa Fe, N.M. 87505
(505)827-1840
http://www.nmenv.state.nm.us/NMED/field_op.html

Construction Industries Division

Toney Anaya Building:
2550 Cerrillos Road
P.O. Box 25101
Santa Fe, N.M. 87504-5101
(505) 476-4700

Regulation and Licensing Department

P.O. Box 25101
725 St. Michaels Dr.
Santa Fe, N.M. 87504
(505) 827-7003 Fax. (505) 827-1157
www.rld.state.nm.us

New Mexico New Hires Directory

<http://newhire-reporting.com/NM-Newhire/default.aspx>

For specific occupational licenses contact the appropriate division of the Regulation and Licensing Department



Selling *Without A* Store

Small businesses no longer need permanent spaces to make their presence felt

By Tamara E. Holmes



hen Curvel Baptiste launched the discount retail space Juxster in 2010, he had no desire to build a traditional storefront. "A lot of stores were closing," he says. Instead, he would e-mail potential customers about upcoming sales on his website, so they wouldn't have to "spend hours wandering around trying to find a particular product." Juxster (www.juxster.com) is a members-only e-commerce site that sells street, skate, and surf apparel.

Baptiste is not alone. According to a new report by Forrester Research and Shop.org, e-commerce sites continue to snag customers from brick-and-mortar stores, with online retailers having an average growth rate of 28% during 2010. Entrepreneurs are also shunning permanent storefronts for temporary establishments such as kiosks, pushcarts, and other short-term in-line venues. In fact, the temporary retail market is responsible for \$8 billion

in sales in 2010 and rose 14% in the first two quarters of 2011 over the year before, according to Patricia Norins, publisher of *Specialty Retail Report*, which looks at temporary retailers and provides resources for finding supplies, suppliers, and locations.

The U.S. retail vacancy rate is at 7%, according to CoStar Group Inc., offering entrepreneurs the opportunity to take advantage of a weak real estate market and the short-term rental trend. The national average annual cost of renting a 6,000-square-foot retail space in a strip center is \$16.27 per square foot or \$97,620 per year, compared to paying around \$10 to \$250 a day for booth rental at a flea market or a little more than \$1,000 to house a pop-up shop for four weeks.

Success stories like eBay and Amazon prove business owners can do without a traditional store if they have a strong Web presence. Likewise, portable storefronts such as food trucks and flea markets are a great form of marketing since they go where the customers are, says Norins.

Here are five ways retailers can reach customers without making a long-term rental commitment and how some savvy business owners have made alternative storefronts pay off.

1 Pop-up Shops: Embracing a Short-term Approach

The concept of pop-up shops: physical stores that retailers inhabit on a short-term basis, such as 30, 60, or 90 days. Some entrepreneurs use pop-up shops to test potential brick-and-mortar locations. Others, such as Juxster's Baptiste, use them to occasionally connect face-to-face with their primary online clientele. Pop-up shops can be used to introduce consumers to a retailer's brand, as well as create a sense of urgency among consumers.

To alert potential customers to upcoming pop-up shops, Baptiste sends e-mails to current customers, luring them with new products, low prices, and other incentives to check out the location. He also passes out fliers to attract local passersby. Finding the right location has been one of Baptiste's greatest challenges. "I do a lot of ground work, scouting out spots that no one's paying attention to," Baptiste says. He also approaches potential landlords with an abundance of cash since many are more likely to do business if you can pay the entire amount upfront, he adds.

Though pop-up shops demand a lot of effort for a little bit of time, in terms of stock and moving inventory, they can increase brand awareness and net impressive sales. "We've done anywhere from \$1,000 to \$1,500 in a day, [whereas] we've paid \$1,300 in rent for the entire month," Baptiste says.

Pop-up shops aren't anything new, but the sluggish economy has given them a boost. "When we're in good strong economic times, it is much more challenging to get a great location at a reasonable price," says Norins. "But right now there are tons of location opportunities, and prices have come down." As a result, many landlords looking to fill vacancies are willing to agree to short-term leases just to get someone in the door, giving business owners a golden opportunity.



CURVEL BAPTISTE JUXSTER

2 Etsy and eBay: Pushing Online Marketplaces

There are countless stories of entrepreneurs starting on eBay and turning their hobbies into multimillion-dollar businesses. Some 25 million global eBay sellers accounted for nearly \$62 billion in total sales volume in 2010. Sellers can list up to 50 items per month in the site's auction format for free, or pay between \$15.95 and \$299.95 per month in subscription fees for online stores. With any of these options, sellers pay a commission for each sale.

A venue ideal for sellers of handmade crafts, vintage items, and supplies is Etsy (www.etsy.com). With more than

11 million members and 800,000 active shops, Etsy sellers sold more than \$357 million in merchandise in the first nine months of 2011. Etsy sellers pay 20 cents for every item listed and 3.5% of each sale made in exchange for a unique Web address to house their virtual marketplace.

The low startup costs are what prompted graphic designer Dana Osborne-Biggs of Smyrna, Georgia, to use Etsy to set up an online boutique and sell one of her handmade handbags on the site back in 2006. It sold within 24 hours, prompting her to expand her boutique, Urban Heirlooms (www.etsy.com/shop/urbanheirlooms). ▶



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3 Food Trucks: Dining Transcends Destination

Barbara "Sky" Burrell is no stranger to the restaurant business, having owned Sky's Gourmet Tacos (www.skysgourmettacos.com) in Los Angeles for the last 19 years. But when she decided to expand in 2010, she didn't want to open another restaurant in a struggling economy. So she spent more than \$100,000 to purchase a diesel truck and retrofit it with brand new kitchen equipment. This way, her soul-inspired Mexican food brand could serve customers within a 70-mile radius. "We knew the truck would not only pick up business on the street, but it would bring new business to the restaurant," she says.

Sky's Gourmet Tacos lets customers know where the truck will be each day via Twitter. Burrell also cashes in on events, with customers guaranteeing \$1,000 in sales to reserve the food truck for weddings and corporate affairs.

But the ability to travel comes at a cost. A truck will cost roughly \$40,000 refurbished or \$100,000 or more to retrofit a new one. In addition, specific licenses and permits are required for each municipality the food

The 46-year-old Osborne-Biggs scours flea markets, thrift stores, and yard sales for fabrics, and uses new leather to create handbags, cuffs, and her signature item: a wallet that uses an antique skeleton key as a clasp. Since 2006, Osborne-Biggs has sold more than 1,200 items, earning up to \$27,000 annually and is projected to make \$5,000 to \$6,000 more for 2011.

One of the entrepreneur's challenges in pushing her products was conveying their high quality, because customers couldn't feel the fabric themselves. So she went online, including to Etsy forums, to read up on photography. "I've seen people take photos that obviously came from their cell phones; they don't look professional," she says.

As her photos improved and more people caught on to the novelty of the products, images from Urban Heirlooms were run more frequently on the Etsy home page. In July of 2010, Osborne-Biggs left her graphic design job, with the support of her husband, to focus on her Etsy store full time.



truck travels to, and can cost around \$1,000 to \$1,500 for each locality. It's worth it, says Burrell, if the truck schedules multiple trips to each venue per month. "You have to be consistent when going into that particular space or it doesn't pay off."

The food truck generated about \$100,000 last year. Not only has it contributed 30% more to the company's bottom line since 2010, but Burrell received an extra jolt of publicity when she appeared on the Food Network's *Great Food Truck Race* in the fall of 2011. "Now, we're not just a destination," she says. "We make the destination."

The growing demand for food trucks is one of the biggest success stories in the restaurant industry. According to a 2011 survey from the National Restaurant Association, nearly 60% of Americans said they would visit a food truck offered by their favorite restaurant, up from 47% in 2010.

4 Flash Sales Sites: Maximizing Daily Deals

Twin brothers Shane and Shawn Ward, owners of footwear design company Shane&Shawn (www.shaneandshawn.com), were flying high until the recession hit in late 2008. "Literally month over month from September to October, our sales dropped about 35%," says 39-year-old Shawn. When sales continued to fall at their New York boutique and wholesalers started ordering fewer products, "we knew we needed to cut our overhead," he adds. In February 2009, the duo closed their store—saving the company more than \$100,000 per year in rent—and focused their efforts online.

They explored e-commerce and a marketing strategy of featuring their merchandise on flash sale sites, which host temporary sales of designer merchandise at discounted prices. Sites such as BeyondtheRack.com and Shoebuy.com might feature Shane&Shawn products for two or three days. As with pop-up shops, the temporary nature creates a sense of urgency with the buyer, and the discounted prices often provide further motivation.

"It's a good way to expand our consumer base online because

we're reaching out to their buyers," says Shawn. Flash sites have also alleviated some inventory problems. With traditional sales agreements, you ship products to retailers, they take in the goods, and if the goods don't sell, the retailers ship the products back to you, he explains. "So you have to carry some of that inventory you didn't plan on and now you have to move it or put it on sale to get rid of it." With flash sales, the Wards only ship products once they are sold, avoiding inventory pileup.

The twins use social media and online advertising to attract more people to their website. "When you have a brick-and-mortar store you're going to get the walk-by traffic. When you're a website, people have to find you," explains Shawn.

Their efforts are paying off. After revenues dropped 40% in 2009, and an additional 5% in 2010, the company can now credit its online strategy with its turnaround. "We're on a pace to grow our business 30% over last year," Shawn says. "We're seeing a lot of growth."



SHANE AND SHAWN WARD SHANE & SHAWN

5 Flea Markets: Bringing Retail To the Community

While flea markets are a great place to score deals on hard-to-find items, they can also be lucrative venues for entrepreneurs looking to build a brand. Just ask Todd Jones, owner of New York-based donut-making company Cuzin's Duzin. The 52-year-old businessman made \$100,000 in 2010, selling his sweet treats in these community-oriented venues.

The biggest selling point of flea markets is their flexibility, Jones says. "If one location doesn't work out, I can change up and go someplace else." But their temporary nature presents another challenge: introducing a product to a new audience with each change of location. To entice new flea market patrons, Jones gives out free donuts whenever he sets up a new shop. He also ensures that he is consistent with his branding so past customers can easily recognize Cuzin's Duzin brand and signage. "Our colors have ►

been the same since we started and people see me in my hat and my chef coat," he says. "People expect a certain experience."

Since July of 2011, Jones has been selling his donuts from Dekalb Market, a flea market in downtown Brooklyn, New York, where small businesses sell from salvaged shipping containers for \$50 to \$75 per day. The market is open seven days a week from 8 a.m. to 10 p.m.

The portable nature of flea market venues also makes it easy for Jones to take his show on the road wherever there's a demand. "I do weddings, corporate events, and even the bar mitzvah circuit," he says.

Jones has been in the donut-making business for some 37 years, including a previous career stint at Dunkin' Donuts. He says the idea to do miniature donuts provided a unique twist that differentiated him from his former employers. "We are going to be the White Castle of the donut industry."

BE



TODD JONES CUZIN'S DUZIN

GETTING STARTED

Ready to open an alternative storefront? Here are some tips for getting the ball rolling.

Pop-Up Shops:

You can set up shop in a vacant warehouse, storefront in the mall, or some other shopping center and negotiate a short-term lease. With high vacancy rates, landlords will be more agreeable. The PopUpInsider.com is one source for matching retailers with landlords as well as providing how-to info. You also can find spaces for lease or sublease, and commercial real estate brokers at CommercialSource.com.

Online Marketplaces:

Before making your first sale, take the time to read all of the FAQs and tips on Etsy's site. Check out Etsy.com/Forums and the "Open a Shop" section in Etsy.com/Help/Topics. Aspiring eBay sellers should read *The Official eBay Bible* by Jim Griffith.

Food Trucks:

A truck will cost around \$40,000 to \$100,000, depending on if you buy it refurbished or new. But first find out whether food trucks are legal in your city

or if there's a cap on the number of food trucks allowed. Like traditional restaurants, food truck operators need to have certain permits and licenses, and to pass safety inspections. Learn more from the National Restaurant Association at www.restaurant.org.

Flash Sales:

To find a flash site opportunity, contact venues such as MyHabit.com (founded by Amazon.com) and BeyondtheRack.com just as you would if you were trying to have your products distributed at a traditional retail outlet. Flash sales are most effective

as a tool to deliver a unique customer experience. The idea of purchasing limited sales items is what drives consumers to such sites.

Flea Markets:

Locate a flea market to sell your wares at www.keysfleamarket.com, www.findaflea.com, or www.americanfleas.com. You can learn more about the industry at the National Flea Market Association's website, www.fleamarkets.org. Also, download the Kindle e-book *How to Make Money Like A Pro Selling At Flea Markets and Swap Meets* by Allen Farlow.

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<http://quickbooks.intuit.com/r/online-store-and-retail/10-sites-to-sell-your-products-online-whats-best-for-your-business/>

Online marketplaces offer a number of advantages for small retailers, including the ability to [reach new and diverse customer bases](#), but not all marketplaces are created equal. Some have proven invaluable resources for sellers, while others levy numerous fees without delivering a sufficient number of customers. Whether your wares are vintage clothing or handcrafted doghouses, it's important to put time and effort into selecting the best places to sell your products over the web.

Learn more about the 10 popular online marketplaces listed below and determine which, if any, is ideal for your business' unique needs.

1. Amazon

Amazon is a titan of online retail, and likely one of the first places that comes to mind when you consider [selling products over the internet](#). Along with a wide reach for finding potential customers, [Amazon offers an easy-to-use selling platform](#) for numerous product categories, including beauty, books and home improvement, just to name a few.

Further, unless a seller [opts to have their items stored with Amazon](#), the seller won't have to pay a fee until their items sell. Once the item is purchased, [Amazon Payments](#) will collect either the applicable referral fee percentage of the per-item minimum referral fee, depending on which is higher. Retailers selling niche, hobby or refurbished goods tend to do best on this platform, as they don't compete with Amazon's own sales offerings.

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2. eBay

Founded in 1995, eBay is one of the most familiar and long-standing online marketplaces. While almost any item can be listed on eBay's pages, [sellers offering rare or branded items](#)—including vintage goods and collectibles—tend to do best with the service. The fee for selling on eBay is [10% of the total sale value](#), up to a maximum charge of \$750. If you plan to list more than 50 items per month, you should note that insertion fees of \$0.30 per item may apply.

Additionally, selling on eBay is ideal for merchants with a [large number of international customers](#). With the Global Shipping Program, sellers can send their goods to the eBay warehouse in Kentucky. Upon sale, the company will then fill out the necessary customs forms and send the goods on to their destinations.

3. Etsy

[Ideal for creative-minded merchants](#) seeking widespread exposure, [Etsy](#) features 12.3 million products and hosts 875,00 merchants at any given time. One of the benefits of this marketplace is that sellers can take advantage of an array of checkout systems including mobile options. The fee for sales is typically 3.5% of the selling price and does not include shipping or taxes. Additionally, Etsy charges [\\$0.20 per item listed](#).

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In spite of its reach, the marketplace does have its drawbacks. While Etsy allows sellers to create their own storefronts, [design options](#) for configuring a unique storefront tend to be limited.

4. Shopify

Shopify lets users create online stores and sell a wide array of goods in multiple categories. One of the main benefits of Shopify is that sellers can design their own professional-quality storefronts using more than 100 template options. As a result, they can save on development costs without sacrificing website quality. Additionally, Shopify features a built-in analytics suite, allowing sellers to evaluate their own strengths and weaknesses.

Shopify sellers can choose from multiple [monthly plans](#) ranging from \$9 to \$179 a month. As an added bonus, certain plans allow merchants to market their goods across multiple channels, including Facebook and MailChimp, and offer easy integration with [Quickbooks](#) and other accounting tools.

5. Bigcommerce

Business owners can use [Bigcommerce](#) to design, host and run their online stores. One of the benefits of selling on Bigcommerce is that the site offers extensive marketing support including social media integration, coupon codes and an abandoned cart saver. Additionally, the marketplace provides secure hosted e-commerce tools and shopping carts so your customers can feel comfortable purchasing online.

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Despite the many benefits, Bigcommerce is not without a few drawbacks. Between monthly fees, transaction costs and credit card charges, the price of selling on this platform can add up. Additionally, critics say that Bigcommerce lacks some of the app options of other marketplaces.

6. Bonanza

With 25,000 registered businesses, [Bonanza](#) is one of the best choices for retailers in the fashion industry. With this eBay-like marketplace, sellers create online booths for their items, which are listed at fixed rates. While there are no listing fees, the company does collect a 3.5% closing fee on sales under \$500. For higher-value transactions, Bonanza charges a flat fee of \$17.50 plus 1.5% of the sale amount over \$500.

One of the drawbacks of using Bonanza is that it lacks the [name recognition of other marketplaces](#). Even so, the platform's Managed Merchant program can be a boon to busy retailers. By choosing this option, sellers can turn over tasks like creating listings and adding metadata to the marketplace, which can free up time for running other parts of the business.

7. GoAntiques

If you sell antiques and vintage goods, you may want to consider utilizing the [GoAntiques](#) online marketplace. Promising no commissions or listing fees, GoAntiques instead charges a flat fee with basic membership starting at \$24.99 a month. Additionally, easy-to-use tools allow retailers to edit multiple listings and

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view stats on their sales. As a downside, the GoAntiques web interface is not as sophisticated as some of its online marketplace competitors, a fact that could turn away potential customers.

8. CaféPress

CafePress allows retailers to design and sell merchandise in a variety of categories. Once a customer purchases your design, CafePress will produce it using print-on-demand technology and handle all payment transactions, as well as deliveries and returns. Because the marketplace is handling the nitty-gritty details, merchants can focus on creating innovative designs.

CafePress charges no set-up fees and offers commissions on all sales. Sellers can choose to have 10% deducted from their monthly royalty checks or [pay a pre-set fee](#) each month. Because the company manufactures all the products, [merchants who do their own manufacturing](#) may see low profit margins and may need to pursue additional methods of selling goods.

9. 11 Main

11 Main is different from the other marketplaces on this list in that retailers need to be invited to participate. Because of this, it features a carefully cultivated selection of shops and boutiques. This makes the platform's selection of quality fashion, jewelry, craft goods and entertainment items a favorite among online shoppers.

<http://quickbooks.intuit.com/r/online-store-and-retail/10-sites-to-sell-your-products-online-whats-best-for-your-business/>

After being approved to [sell on 11 Main](#), merchants can create content and list items at \$0.05 per month per product. The marketplace retains 3.5% of the value of sales up to a maximum of \$50 per sale.

10. Zibbet

Hosting thousands of shoppers on an hourly basis, [Zibbet](#) is a well-known source of handmade products and art. Unlike many online marketplaces, Zibbet offers a free plan, which allows merchants to list and sell up to 10 items a month without paying transaction fees. On the free plan, sellers can include up to one image with each item. If you wish to sell more than 10 items, you will need to choose one of the paid plans, which start at \$4 per month.

Thanks to the internet, the lack of a brick-and-mortar location is no longer a barrier to business success. On the contrary, enterprising retailers can take advantage of numerous online marketplaces to sell their wares. By choosing the right market for your products, and avoiding those with hefty fees or contracts, you can [grow your small business successfully](#) in the coming years.



STEPS FOR PERMITTING A MOBILE FOOD BUSINESS IN THE CITY OF ALBUQUERQUE

1. **FIND A COMMISSARY** – this must be a permitted food business. Complete the commissary agreement or have the owner of the commissary provide you with a written, signed and dated letter giving you permission to use their facilities.
2. **GET YOUR NM CRS NUMBER** – Go to New Mexico Taxation and Revenue and apply for a CRS number.
When you fill out the paper work– **the business location address must be the same address as your commissary address.** There is no charge for a CRS number. If your New Mexico Taxation & Revenue Registration Certificate shows a different address than your commissary address you must correct the address.

New Mexico Taxation & Revenue is located at the NE corner of Central & San Mateo @ 5301 Central Ave NE. They are open Monday – Friday, 8 am – 5 pm. (505) 841-6200.
3. **GET A BUSINESS LICENSE** – at 600 2nd St NW or on line at:
<https://www.cabq.gov/planning/business-registration-information>
4. **SCHEDULE A FIRE INSPECTION OF YOUR MOBILE FOOD BUSINESS** –The Fire Marshal won't inspect unless you have a business license. Call (505) 764-6300 to schedule an appointment.
5. **SCHEDULE A PRE-OPENING INSPECTION WITH THE ENVIRONMENTAL HEALTH DEPARTMENT** – CALL 311 to schedule an appointment for inspection. Or call (505) 768-2716
6. **AFTER PASSING THE ENVIRONMENTAL HEALTH INSPECTION** –Go to the City Hall at the corner of 5th and Marquette on the 3rd floor, room 3023 and pay the Health Permit Fee (\$120.00). Currently only checks made out to the City of Albuquerque and cash are accepted.

**CONGRATULATIONS YOU ARE NOW READY TO OPERATE YOUR
MOBILE FOOD BUSINESS!**

Updated 6/18

THE BASICS OF CHOOSING A BUSINESS ENTITY

Colin T. Cameron*

Katz Ahern Herdman & MacGillivray PC

WHAT IS LIABILITY?

1. **Contract Liability**

- 1.1. Contract: an agreement between parties; Written, verbal, or implied
- 1.2. Breach of contract: agreement not honored, failure to perform; For example, paying rent or an agreement to perform a service or deliver a product
- 1.3. Typical damages include: Value of what was not performed (unpaid rent); Value of lost profits (the profit a contractor could have earned); Consequential damages (lost business because supplier failed to deliver)

2. **Tort Liability**

- 2.1. Tort: a wrongful act that breaches the standards by which everyone (even strangers) must behave; Intentional, negligent, strict liability
- 2.2. Typical damages include all foreseeable damages that result from the tortious act (medical costs, property damages, lost earnings, pain and suffering, punitive damages)

3. **Liability of Employers**

- 3.1. Employers are liable for their own actions and failures to act
- 3.2. Generally, employers are also liable for torts committed by employees who are acting in the scope of their employment or under the employer's authority
- 3.3. There are different rules for independent contractors

* This document contains an introduction and general overview and does not discuss all issues, entities or all characteristics of the entities listed. Any choice of entity and how you form your business depends upon many factors. You should consult with an attorney, accountant, and insurance agent when making decisions on how to start your business and choosing and forming any entity. The information and content in this handout and presentation were created for informational purposes only. The comments or opinions are intended for limited use as seminar presentation materials and do not constitute legal advice. The presentation, discussion and use of these materials do not create an attorney-client relationship.

WHAT IS A LIMITED LIABILITY ENTITY?

1. Separate legal entity that has separate obligations and liability
2. Generally, the owners will not be personally liable for the obligations and liabilities of the entity; The entity will have its own responsibilities (contracts, taxes, etc.)
3. There are always exceptions!
 - 3.1. Personal guarantees
 - 3.2. Decision-makers' actions or your actions
 - 3.3. Fair Labor Standards Act (minimum wage, overtime, record-keeping, child employment) "employer"
4. "D/b/a" or "doing business as" designation is used for trade names when the name of the individual or entity is not the same as the business name
 - 4.1. Examples: Jane Doe d/b/a Jane's Flowers; Flowers LLC d/b/a Jane's Flowers
 - 4.2. A "d/b/a" does not create a separate legal entity
5. Securities
 - 5.1. There are special requirements for a "security", which includes (among other items) stock, a profit-sharing agreement, an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor, and any interest in a limited partnership or a limited liability company
 - 5.2. Very complex and nuanced area of law; Broad definitions with many exceptions
 - 5.3. Consult with a lawyer who practices securities law, especially in any "investor" situation
 - 5.4. Violation of securities laws can include civil and criminal penalties*
6. Regardless of whether you do business through an entity or not, make sure you always have adequate insurance
7. In forming an entity, plan for how it will end

* The New Mexico Securities Division is online at: <http://www.rld.state.nm.us/securities-division/default.aspx>. New Mexico laws and other laws may apply.

CAN I DO BUSINESS WITHOUT AN ENTITY?

Sole Proprietorship

1. **Generally**
 - 1.1. One owner with no separate legal entity
 - 1.2. Individual owns all the assets of the business, takes all actions of the business, is liable for all debts and obligations of the business
 - 1.3. Individual owner reports all income, losses, deductions, etc.
 - 1.4. If the business has employees, the individual is the employer
2. **Formation:** No filing with the Secretary of State required
3. **Advantages:** Simplicity; No formation, no corporate reporting, controlled by individual owner
4. **Disadvantages**
 - 4.1. Owner is personally liable for all liabilities of the business, including contract liability, tort liability, and actions and omissions of employees
 - 4.2. Business terminates upon owner's death
 - 4.3. Business with joint owners can result in formation of a partnership

WHAT ARE COMMON TYPES OF ENTITIES?

General Partnership

1. Generally

1.1. An association of two or more persons to carry on as co-owners a business for profit; Owners are “partners”

1.2. Business decisions made in accordance with the partnership agreement or the general rules of the Partnership Act^{*}

1.3. Each partner is liable for debts and obligations of the partnership

2. Formation and Termination

2.1. May file with Secretary of State; Filing recommended but not required

2.2. Partnership Agreement

2.3. Unless the partnership agreement has a different provision, the partnership terminates upon the death of any partner

3. Advantages: Taxation of income and loss passes through to partners (similar to an LLC)

4. Disadvantages

4.1. Some formalities of an entity, with none of the liability protection

4.2. Each partner is personally liable for all of the obligations and liabilities of the partnership and the other partners[†]

4.3. Creation of implied partnerships based on actions of the individuals

Limited Partnership

1. Similar to a partnership, but with a general partner who manages partnership and limited partners who take roles of passive investors

2. General partner is liable for debts and obligations of the partnership; Limited partners have limited liability

3. Limited partnership agreements quickly become complex to address tax and distribution issues; Interest in a limited partnership is a security

^{*} New Mexico statutes, including the Uniform Partnership Act, NMSA 1978, §§ 54-1A-101, *et seq.*, are available online at: <http://www.nmonesource.com/nmnxtadmin/NMPublic.aspx>

[†] The Uniform Partnership Act, NMSA 1978, §§ 54-1A-305 and -306. Section 54-1A-306(a) states that “all partners are liable jointly and severally for all obligations of the partnership unless otherwise agreed by the claimant or provided by law.”

Limited Liability Company (LLC)

1. Generally

- 1.1. The most flexible and straightforward entity
- 1.2. Owners are “members”
- 1.3. Provides limited liability for members while still allowing for federal partnership tax treatment
- 1.4. Few required formalities

2. Formation and Termination

- 2.1. File Articles of Organization with the Secretary of State
- 2.2. Operating Agreement describes how LLC is run
- 2.3. LLC will survive the death of members and terminate as provided in the Articles of Organization and Operating Agreement

3. Advantages

- 3.1. Provides for limited liability of the members with few formalities
- 3.2. Currently no franchise fees or annual reports required in New Mexico
- 3.3. Partnership tax treatment; Taxes flow through to the members
- 3.4. Can also elect to be taxed as a subchapter S corporation
- 3.5. Members are generally not subject to the LLC’s debts, obligations and liabilities, although creditors can reach LLC property (including your investment in the LLC)

4. Disadvantages

- 4.1. May not be appropriate entity for every situation (professional corporations, nonprofits, certain high-risk tax and securities scenarios)
- 4.2. Securities concerns; Presumption for manager-managed LLCs

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1. Generally

- 1.1. Owned by shareholders, who own shares of stock
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2. Formation and Termination

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- 2.2. Bylaws
- 2.3. Shareholder Agreement (if there are multiple shareholders)
- 2.4. Initial resolutions (bank accounts)
- 2.5. Corporation terminates according to the Articles and will survive death of the individual shareholders

3. Advantages

- 3.1. Provides for limited liability of shareholders; Shareholders are generally not subject to the corporation's debts, obligations and liabilities (although creditors can reach the corporation's property, including your investment in the corporation)
- 3.2. Can create different distributions and allocations of profits and loss (different types of membership interests, preferred interests that pay dividends before others)

4. Disadvantages

- 4.1. Corporation taxed as a separate legal entity; "double taxation" for earnings at corporate level and dividends at the shareholder level
- 4.2. Corporate losses cannot be passed through to the shareholders
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S Corporation Status

1. Generally

- 1.1. A corporation that, under the Internal Revenue Code, elects to receive pass-through tax treatment
- 1.2. No more than 100 shareholders; Limitations on types of shareholders
- 1.3. Income and losses are passed through to the shareholders on a pro-rata basis; The corporation is not subject to corporate tax

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HOW DO I SIGN DOCUMENTS ON BEHALF OF AN ENTITY?

Once you create a legal entity, make sure that all contracts and legal documents name the entity and are signed on behalf of the entity, *not by you individually*. For example, if you sign a lease, make sure the “tenant” is the entity. Carefully review the provisions where your personal name appears.

Right Way (Examples)

Signature Block:

ABC, 123 LLC,
a New Mexico limited liability company

By: [your signature here]
Jane Doe, Its Managing Member *[Your Name and Title]*

Wrong Ways (Examples)

Signature Block:

Jane Doe

Jane Doe, President

Jane Doe, d/b/a ABC,123 LLC

ABC,123 LLC

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Jane Doe, President

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