

MASSAGING YOUR BUSINESS

By

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Table of Contents

Minding Your Own Business	6
Before You Even Begin	7
Your Credit	9
Things to Consider	12
Leaving Your Current Employment	13
State and Local licensing	17
Zoning	20
Location	23
Health and Safety Considerations	25
The Lease	30
Getting Out of a Lease	37
Building Out	41
Tips for Ordering a Telephone	45
Insurance	46
Naming Your Business	47
Incorporating or Not	50
.....Sole Proprietorship	50
.....General Partnership	51
.....Incorporating	55
.....Liabilities	55
.....Taxes and a Corporation	56
.....Paperwork	56
.....Ability to Raise Capital	61
.....Dissolving a Corporation	62
.....Limited Liability Company	62
Accepting Payment	65
Record keeping and Confidentiality	67
Hiring	69
Advertising	79
.....Copy	88
Products	96
Speaking in Public	99
Running a Business From Home	108
Buying an Existing Business	111
Some Establishment Reminders	114
Your Theme	116
Some Final Words	118
Bibliography	121

Minding your own business

Imagine all the reasons someone might want to be an entrepreneur. They may want to increase their income, make their own hours, test drive their business ideas or have an adventure. Sometimes they do it because they're confident they can do a better job than their boss. And their boss probably did it for the same reason.

If you're willing to work hard at first, if you can stand up under some pressure, if you're not one to give up easily and you don't mind responsibility, then being an entrepreneur may suit you well. In any case, starting and running a massage and bodywork business is not that difficult.

The purpose of this book is to take the mystery out of opening an establishment and to share with those readers already self employed. You will also learn about the mistakes others have made and how to avoid them. Hopefully you have worked or are presently working for a sharp entrepreneur and have picked up some good business techniques.

Reading this book does not mean you have to run out and start a business immediately. What you read here can just sit in the back of your mind. Even if you never get around to starting a business, the information will be helpful in other ways. You will become more sensitive to all aspects of the industry.

Before You Even Begin

De-clutter. Don't let your subconscious mind get bogged down with "eye stuff" and things that are just in the way. Before you go through the process of starting a business, you want your life to be streamline and sane...toss, toss, toss.

Are you hanging on to the past by hanging on to the obsolete? Do you need it? Do you love it? Are you going to really use it? Does it fit who you have become? Can you find it if you need it? If you had to leave and could only take half of your belongings, would you include it? You're moving forward, into the future. Shake off the tired things of the past and get down to your fighting weight.

Clutter distracts you from your target. You may be the best decorator in the whole world and have a house full of delightful objects but for the time being you will need freedom from "stuff" that requires maintenance or gets displaced. This way you can concentrate on getting your business started.

Clutter can also include things you've been putting off. Try to get all those out of the way as well. Repair what is torn or broken or get rid of it. Finish up personal appointments. Things that are **not** clutter are family photos, certain other things that you love and practical things as well. You would not want to get rid of these, of course.

You can de-clutter in layers. The first layer consists of things you can easily part with. The next layer becomes the first layer and so forth until the junk is gone. You're left with things that actually make you feel good. They should inspire you, fit you and suit you. They should be things that you can use and will use as they help you conduct your life.

Stay organized. This is the time when things can get away from you. Every object should have a home, a place where it is kept exclusively, conveniently and not in the way.

There are several good books on de-cluttering. The Don Aslett books are amusing and to the point. But go to the library or a book store and select the author whose style resonates with you.

If you go to the library, reading the book is free and you don't have to store it later. Library books get you reading; the return policy doesn't allow you to set it aside for later.

Your Credit

Is your credit good? Spend some time making sure your credit is in order. Get your credit reports from the three credit reporting agencies: Equifax, TransUnion, and Experian. The Fair Credit Reporting Act (FCRA) mandates these credit reporting agencies give you a free credit report every 12 month period at your request.

Later you can spread out your requests by asking these agencies separately about 4 months apart. That way you're not going 12 months without fresh information. Currently, this may not suit your purposes, until the initial inquiries are done.

The reason you should get reports from all three credit reporting agencies is because there may be some information on one report that is missing from the others. A creditor may only report to one or two of the credit reporting agencies even if there is a debt in collections. Errors, such as unwarranted debt collections, can be on someone's credit report without them having been notified by the claimants.

Note: requesting a credit report could trigger prescreened offers of credit cards. Call 1-888-567-8688 to opt out.

If you decide to take steps to improve your score, before you start, make sure you're going

about it in the right way. For example, closing an account may not improve a credit rating and could have the opposite effect. Some say there is a lot of fraud in the credit repair industry, so don't jump the gun. The three credit reporting agencies offer some suggestions on how to increase your credit score. This is the Federal Trade Commission's Website: <http://www.ftc.gov/bcp/online/pubs/credit/freereports.shtm>. It has a lot of information and is a good place to start.

Your landlord/landlady will probably want to run a credit check before leasing to you. This is just to make sure you're good at paying your debts. Bear in mind, you will want to avoid buying on credit or making rash purchases in business. Don't make it hard on yourself; you don't need a super credit rating to get into a lease.

They say it takes about two or three years before a business gets out of the red. In other words, the first two or three years gives you back what you spent. For the massage business, this hardly applies. If you don't splurge, it doesn't have to cost that much at all.

Bartering for the goods and services you will need to get your business up and going is helpful as long as you both have a clear agreement and are not vague. You don't want to overcompensate. Discuss the hours you're available to repay; you do not want to work off your debt during peak business hours. It

would be better to work off the trade during non-business hours.

Things to Consider

Prepare to put in some long hours. If you can't because you have small children, for example, then consider taking a business partner or partners to help carry some of the load. It is unlikely a business will succeed if the hours of operation are spotty so you will need a partner who takes the business seriously. Otherwise, consider waiting until you can do it without sacrificing your kids.

Often the elderly express sorrow for not having spent more time with their children. You will never hear them say they wish they had spent more time working.

It would be nice if you had support and encouragement from everyone. You may not get it from some. Beware of the naysayers. Sometimes it is merely they fear you're moving on and away from them. Unless they happen to have more experience in the massage profession than you do, they may not be in the best position to give advice. Lend an ear to successful business people with whom you don't have a personal relationship; they are a good source for information.

Leaving Your Current Employment

Some therapists are concerned they may not be allowed to compete with a former employer. If you've signed a contract stating you will not open a business within certain parameters, in some states that agreement may not be enforceable. Such an agreement may be severely restricted by state law.

For example, in California, an agreement is not legal which states a former employee will not compete with a former employer.¹ In fact, in that state, an employer trying to enforce such an agreement might be sued for restraint of trade.² In any state, the courts are likely to look on such a non-competition agreement with skepticism and it will have to meet several tests.

Likely for an agreement to pass, it will have to be limited in time and scope.³ An agreement which says you cannot open your own massage therapy business anywhere in the United States forever will certainly be invalid. You will have to check with your state if you have a non-competition agreement to see if it is binding and to what degree you may be held accountable.

There is a story about Warren Buffett, currently the third richest man in the country. Buffett has always admired an elderly Russian woman who ran a fantastically profitable furniture store in his home

town of Omaha. Eventually he bought her out but he didn't get a non-competition agreement.

A couple of years later, she got irritated with the way her old store was being run so she opened up another one across the street--very successfully, draining a lot of business from the old store. Buffett eventually bought her out again! This time he had her sign a non-competition agreement. She lived to be 103.⁴

One way a former employer can limit you is if you signed a proprietary information agreement. Proprietary information might cover a unique treatment method, a product or even special types of advertising which could be considered the exclusive domain of the former employer. Anything considered proprietary information, however, should have been spelled out in an agreement.

Sometimes an employee who plans to open their own business is tempted to hand out business cards or contact regular clients so they may find them at their new location. Their employer could sue them for theft if they attempted to move clients to the new business while still employed in the old.⁵ Copying down contact information from client records could be construed by the owner as theft as well.

The owner has spent a good deal for advertising, rent and other business expenses to have those clients. For a former employee to obtain

and use that information at no cost is likely actionable.

If an employee tells a client they are leaving which sort of invites the client to ask where, this may be actionable. However, it may only result in the employee being fired.

Truly not telling a client one is leaving is awkward, especially if a friendship has formed. However, if you've not interacted with the client socially and you did not bring the client with you from another establishment, you don't have much standing.

On the other hand, if you were an independent contractor you could let your clients know where you are relocating, absent an agreement otherwise.

If the employee meets the client after they have left employment and wants to offer them their new business information, there is no problem, presuming a non-competition agreement doesn't apply.

Your present employer may be generous and allow you to tell your clients where you're going. May even tell inquirers where you relocated after you have gone. Telling your boss that you're leaving to open your own business may seem a bit awkward. But the smart business owner knows you're leaving anyway and will try to make the best of it. It is unwise for them to harbor a petty resentment and

sever a connection. It is a good idea for business owners to align themselves with others in the field.

However, be aware that it is the policy of some businesses, as soon as they know someone is leaving, to confiscate their keys and terminate them immediately. This prevents the employee from moving clients. This practice may not be as common in the massage industry. If you have been working for your employer for some time, chances are you have a pretty good idea what to expect.

Perhaps you and your employer may be able to work something out where both of you benefit from referring.

Some businesses combine their advertisement budgets to make a greater impact, although this is usually between related fields, not exactly the same field. In any case, these are decisions that are best firmed up after you've left, because things may be clearer to you and your ex-employer after you're gone. You may decide on a complete detachment once you've settled into your new place.

State and Local Licensing

If you're already licensed in the jurisdiction where you're planning to open a business, then you should have a pretty good idea about the difficulty or ease in which you will be able to conduct business. However, if the area you're considering takes you into a strange licensing jurisdiction, it pays to do some investigation.

Certainly there are many advantages to state licensing. One of the advantages is mobility within a state as opposed to a city or county license where licensing is usually not transferable from one city or county to another. The latter translates into more fees, retesting (if applicable) and waiting for approval.

Another issue is a local jurisdiction is not likely to have a massage board whose members include those familiar with the industry. In fact, in some local jurisdictions massage licensing is a function of the police department.

No matter which department handles massage licensing, a local jurisdiction's control of licensing generally falls to those who have limited, if not incorrect, knowledge of the massage industry. Unfortunately, this lack of understanding can pose a problem for those who wish to be in business in such

a jurisdiction. They may create rules that bog down a business.

For example, a California city had a rule that said only licensed therapists, managers and clients could go beyond the lobby, making no allowance for cleaning people, paramedics, firemen or a receptionist.

If your state does not have state licensing, before settling on a particular city, take the time to visit the licensing department. Go through past city (or county if applicable) council agendas that pertain to the industry to see what their concerns are and read the current ordinance. Many cities have their ordinances available free online at <http://www.municode.com/resources/online%20Library.asp>.

Once you're in business, it's a good idea to keep up with what the city council or county is doing, if the city or county is your licensing jurisdiction. Their agenda may be online and some cities will even e-mail you when they upload the latest agenda.

If your state has state licensing, you may read the laws online and of course you will want to keep up with any proposed legislation that pertains to your industry.

Note the laws governing your industry by carefully reading and even rereading them. Sometimes these legal documents can be pretty

daunting. Ask for clarification on any language you're uncertain about. Write down any interpretations and note the date and the name of the official who explained the law to you. The law may even have location and structural requirements for your business.

Zoning

Once you have a general idea of where you want to set up your business, you will need to get a zoning map. This will be at the city's planning department unless the area is unincorporated, then whomever presides over the area, such as county, will have the map. These maps tell in which zones a particular business may operate.

There are building and zoning requirements in the city in which your business will be located of which you need to be aware. You need to purchase a business license even if your industry is regulated by the state. For example, Kentucky is a state that licenses massage. Their law reads that Kentucky law "supersede[s] all ordinances or regulations regulating massage therapists in any city, county, urban-county, charter county, or consolidated local government." However, Kentucky's state law does not, "affect city, county, urban-county, charter county, or consolidated local government regulations relating to zoning requirements."⁶ This means Kentucky calls most of the shots but the zoning requirements are up to the city, county or whatever may be the local jurisdiction.

In some cases, zoning has special requirements such as the amount of parking spaces you will be required to have. The zoning department should be

able to give you all that information or direct you to other departments you may need to visit.

Zoning must provide for massage. In other words, a legitimate business cannot be zoned out of a city. Long ago some cities use to zone you out to the corn field. For example, in the early 80s I spent the whole day exploring great art deco buildings all over Long Beach which were perfect for a massage business. I should have gotten a zoning map first because, as it turned out, the only areas zoned for massage were way on the outskirts of town where there was mostly open fields and the occasional giant warehouse.

From the zoning map and based on parking and any other requirements, you can begin your search for the best location. If there are other massage businesses in the area you're considering, that is an indication it may be zoned for massage. However, that is not always the case. They may have been grandfathered in because they were already there before the zoning changed or some other recent requirement. Or they may have a variance.

A variance is an exception and requires a public hearing with city council or other governing body. It is best not to depend on a variance to set up a business as you may not get approval and time is lost.

Also, check with the local tax assessor to see about a local business tax and how much it is.

Sometimes it is levied against equipment the business owns. It is usually minor if you don't have a lot of expensive equipment.

Location

Can clients get to you easily? Don't be deceived by a freeway if it supports heavy populations. In some areas, freeways are so crowded during rush hour that no one travels on them and businesses lay dormant until people are willing to get on the freeway again.

If the towns are close together, try to find a location that people from nearby towns might get to easily. That said; concentrate on the potential in the immediate area. Consider locating in an area you're most likely to find clients. Consider leasing near businesses that cater to people who would be interested in your service: health food stores, gyms, high density business offices etc.

There is a great building down the street from my office. It has about 50 units: a natural doctor, acupuncturists, a large dance studio, and a large yoga studio are just a sampling of some of the businesses there. A massage studio wisely chose to move into that building.

Store front offices are good because they usually get more public attention. However, sometimes the rent is higher for these than for other offices in the same complex or elsewhere. If you choose a store front near a busy walkway, there could be interruptions with passersby stopping in to get

information. This need not be a problem by putting out an "In session" sign and leaving out a stack of flyers or brochures.

Consider the advantages of the proximity of the business to your home. If you locate far from home, the long commute could wear on you after a while. If there is an issue at the business, which can happen when you have employees, it could be a hassle to drive 45 minutes to solve simple problems or recover something important you forgot to bring. Also if you needed to get home from work in a hurry, you would not be able to do it.

Health and Safety Considerations

Avoid being too close to high traffic areas because of noise and fumes. Be certain there is no industry or facility nearby which adversely affect air quality and may cause you a problem with long term exposure. It would be best to stay away from dry cleaners, gas stations and other businesses where chemical fumes affect the air.

There was a former dry cleaning worker who developed a brain aneurism directly attributed to exposure to perchloroethylene or PERC, a chemical used in dry cleaning. Your state or city may be trying to ban its use; however, as of this writing, the vast majority of dry cleaners use this hazardous air pollutant and potential carcinogen. Those who work in close proximity to dry cleaning establishments risk being exposed to PERC because PERC can travel through ceiling, walls and floors. They experience respiratory, skin and neurological health problems.⁷

Gas stations supposedly have vacuum nozzles which limit the amount of fumes that get airborne, but why risk it. Also, it is not unusual for gasoline from station tanks to leak into the ground soil. The cleanup process causes more contaminants to enter the air you breathe.

Avoid areas where there are businesses emitting strong smells. Obnoxious smells can come from unexpected sources. There is a bread bakery in the

town where I live. It is unpleasant to drive by because it smells of chemicals, not like a bakery at all. So look around with your nose and ears as well as your eyes.

Consider noise pollution. Noise will seem less bothersome standing around talking to a rental agent. However, in session the same noises seem amplified and irritating.

Noise is not easy to mask. It seeps in every little opening and vibrates against window panes. You cannot play music loud enough to cover it without it being too obnoxious for the therapeutic setting.

Look around the neighborhood to see if there are businesses that may create noise such as auto repair shops, machine shops, dog groomers and schools. Consider a location and a building that supports quiet and at the same time can be easily seen from the street so you can have some free advertising.

Watch out for businesses such as telemarketing and sales where the restless tend to loiter and litter about the premises. A similar problem can happen if there is a bar nearby. Where people are drinking, some tend to become noisy and aggressive.

If there is a liquor store nearby, there could be a problem with intoxicated people loitering in the area. People who gravitate around their source of supply are difficult to get rid of and have a tendency to keep returning, even though they know they are not allowed.

For example, I leased a unit in an attractive building with no trace of any problem when I first inspected it. Unknown to me, the grounds were continuously occupied by squatters who wanted to be based near a local liquor store.

They must have been temporarily chased away by the owner prior to my arrival to view the unit. The no loitering signs posted on the sides of the building should have been a tip off that something was wrong, except the building and grounds were so nice it never occur to me.

By my first day, there was about a half dozen squatters fully camped on the grounds with sleeping gear, beer and wine. Their presence created an overall seedy appearance. I just hoped it would not affect business or reflect badly on my profession. A foolish hope since it was Orange County, California.

When it rained, there was one squatter in particular who would stand directly in front of my door, where we would have a lengthy argument about it each and every time. When it was sunny, he would sit out on the curb, dirty and sloppy drunk.

After several months I shared this problem in a telephone conversation with Norma, a friend in the industry. I told her how I could not bring myself to force him off the property. Norma said "Well, if you don't do something about it soon, you're going to be sitting out on the curb with him!" On that note, I hung up and immediately called a security company.

It was the right business decision but a tough one nevertheless. I was disrupting the lives of these people who meant no harm. Had I followed the rule of revisiting the location, the squatters would have been apparent and I would not have leased the unit.

Check the location to see what it is like during peak business hours, evenings and weekends. By revisiting a prospect, you can see if there is a problem. This is also a good time to chat with the tenants.

Some urban pockets are so congested during certain hours, they are too dreadful to bother with. Even the weekends may represent an event which can impact parking.

I had an office that was next door to a convalescent hospital. On Thursdays, when the workers would get paid, all the parking spaces were filled and the driveway was a worthless mess of double parked cars. This lease could have also been avoided by asking the tenants about the parking.

Some locations are perfectly fine during the day but unsafe at night. You may want to be open when the surrounding offices are closed. Therefore, you want to find the safest location possible and still meet your other criteria. Speak to neighbors and check with the police department to see if the location you're considering is a troubled area. If the surrounding businesses look like they went through a

lot of trouble to secure their premises, it would indicate a problem.

Make sure the place is easy to find and easy to reach. Remember you will be giving directions on the phone. It would be helpful if the directions could be simple and the street name not confusing. Think creatively about directions.

Lack of parking is a business killer. Make sure you will have plenty of parking. Assigned parking spaces may help guarantee you against any future tenants whose businesses might hog up the parking.

Look at enough properties to get a feel for the rents. Try to rent under market. If the tenants have been there for a long time, it is a good indication the owner is fair. There is nothing wrong with asking a few of the tenants how they like the way the property is managed. Sometimes they try to clue you in by being distant with the manager when they see him/her.

Make sure the place you lease has an experienced property manager, landlord or landlady. It takes business experience to manage property. If the person managing the property is suddenly doing so because they inherited the task, they may not know what they are doing and it will likely affect the tenants. The tenants will end up carrying the owner's responsibility and expense such as when I had to hire that security company.

The Lease

Consider a two year lease with a five year option. This means you have agreed to lease for two years and it is your option to lease it for another five years at the end of the two years. The lease agreement states in advance what the rent will be for the next five years if you decide to pick up the option. That way there are no surprises. Also you want plenty of exit time if you want to relocate.

For example, with the first business I had a two year lease with a five year option. Shortly before the seven years were up, my good landlord passed away and his widow attached herself to an attorney to take over. The widow and her attorney stalled the date for negotiating the new lease. I thought they needed the time to sort out estate matters. That was a mistake.

Two months before the lease was to expire, the attorney presented a lease with unreasonably high rent. He proceeded to explain how I had better accept the conditions. That trying to relocate in the short period before the lease was up would result in client loss, loss of yellow page advertising and everything else he could think of that was none of his business.

It would have been nice to just leave but it would not have been the best business solution. The lease was renewed and then I sold the business.

Remember to negotiate a new lease far in advance so if you decide to move, you have plenty of time. If the building changes hands, other things may change as well, but the terms of the lease would not be affected.

Shopping around for an inexpensive rent is one of the most important things you can do. You do not want to be a slave to rent. Some rents increase according to the cost of living index. Make sure everything is in writing.

If you want to make some changes to the office space, make sure permission is written into the contract. This includes agreeing upon what type of signage you can have. You want people to discover you or at least be able to find you when looking for your office. With good signage and location, you can reduce your advertising budget considerably. See the chapter on advertising for more discussion on signage.

Every little thing you want to do to that property should be entered into the lease. You might get permission later on but don't depend on it. This includes changing a faucet ...anything.

It may be an advantage if the lease has a mediation clause. This means that if there are any

disputes about what the contract means or what someone does, both parties must sit down with a trained neutral mediator before either can sue. The mediator attempts to bring the two sides to an agreement both can live with.

This is different from arbitration which is a more formal process and should be avoided by the small business owner. Arbitration comes up with a decision—one party wins, one party loses. Mediation attempts to carve a solution which makes both parties happy. Credit card companies and stock brokers specify arbitration, not mediation—do they see an advantage against the little guy by doing so?

When presented with a lease, do not sign it. Take it somewhere else and read it carefully before signing. In fact, if it is not a simple read, this might be a good time to hire an attorney for an hour and let him/her look over the lease or hire a lease negotiator to read and evaluate the agreement. There may have been some aspect you have overlooked. Once you do sign, keep the copy signed by the landlord. Make sure the language on both copies match.

Sometimes there are unfavorable leases. A lease may say you're personally financially responsible for someone injuring themselves in the parking lot. This could be true even if the injured party was there to see another tenant and your insurance will not cover the situation. Or the lease might make you responsible for the property taxes. It might be better

to walk away; however, there are lease negotiators who will negotiate a fair lease for a minimum fee.

For example, when I wanted to rent the current office, the lease that was presented was the worst possible. In fact, it included the clause mentioned above, where the tenant would be personally responsible if someone...anyone... injured themselves on the property including the common areas. Also, if there were an earthquake or other natural disaster, the tenant would be responsible for any repairs.

Unfortunately, at that time there was a real estate crunch and there was nothing else available that would comply with the local zoning requirements. However, for eighty dollars, a lease negotiator completely rewrote the lease, striking out whole paragraphs and adding our terms. To my surprise, the property owner agreed to it without reservation.

A friend leased an office that required her, along with the other tenants, to pay the owner's property tax. The more units that were vacant, the fewer tenants there were to divide the tax bill among and the larger chunk of taxes each tenant had to pay. The owner was clever. He knew his tenants would spend a lot of time finding him other tenants to keep the suites filled, saving him the trouble and expense. This was in California where property tax has an annual ceiling.

Some states have high ceiling like 10% per year. Some states don't have ceilings at all. Sometime a lessor will expect you to pay taxes based on a per unit charge, which makes more sense. However, you must still consider the amount taxes may rise.

Operating expenses are sometimes passed on to the tenants, as well. This would include trash pickup, grounds upkeep and other maintenance. I prefer to simply pay a flat rent than to take financial responsibility for unknowns. However, if you don't care and it's a great location, that may be enough.

If you decide to pay a share of the operating expenses and/or property taxes, make sure there are well defined perimeters on these operating expenses and ceilings as well.

Generally leases for more than a year must be in writing to be enforceable. It is to your benefit to have your lease in writing. If the management says they won't hold you to the lease, don't believe it. It is a legal document.

If the management says anything in a joking manner, believe it; it is not really a joke. Friends joke, this is business. For example, after reaching a fair price agreement during a negotiation on rent the manager suddenly said "That's okay; I will just hike the rent up later to make it back...ha ha ha." My gut told me he really meant it. He did not want to sign an option either. Of course, I walked away.

Problematic leases are not all that common and there are some really kind managers and property owners out there. Never get desperate; the right place is waiting for you.

Make sure all maintenance is in the lease agreement. You do not want to maintain old faulty appliances. Nor, for example, do you want to have to replace an air conditioner because it is 25 years old and fell apart. Once it is installed, you may not legally be able to remove it and take it with you when you leave. It could be considered a permanent fixture of the property.

Even if there is a written agreement that allows you to take what you've put in, what use would you have for it? It may end up sitting in your garage for 6 years before you throw it out, investment and all.

Keep these high expense responsibilities on the property owner. One possible exception is if the rent is so dirt cheap you're sure to come out ahead, even if the whole place fell apart at once. In that case, figure how many treatments you have to do to replace everything to get a realistic view.

Make sure the property owner maintains financial responsibility for any health hazards associated with the unit, such as asbestos or faulty wiring. Ask to see an asbestos inspection certificate. Popcorn ceilings and vinyl 9 inch square floor tiles are signs of possible asbestos. The proper way to

detect asbestos requires a certified asbestos inspector.

If materials containing asbestos are disturbed or worn, you can inhale asbestos fiber. This is a huge consideration if you're planning any renovation at all.

Negotiate to have the owner pay for partitioning, new carpet, paint and repair. They will likely do it as it is a tax deduction for them. Ask them to waive the first month's rent or however long it takes to renovate. They most certainly should if they will be in charge of the work.

You can also make the lease contingent upon licensing. In other words, the lease is only valid once you have obtained licensing and if you don't, the lease is void.

My first business was opened with a partner. This was very helpful. Not only did we split the expenses but it was easier with a team of two going into unknown territory.

It was in an old medical building. There were sinks in the rooms, which was nice, but had little else to offer. The location was close to the edge of nothing, near the beach but no foot traffic. The rent was too high for what it was; there were pipes extending out of the walls leading to nowhere. There were two entrances and clients had to be warned not use one of the walkways which was as slippery as ice when it rained. This was the first place we looked at

but thought it was fine because we were both employed in a fairly worn out part of Long Beach at the time.

We got assigned parking spaces but it didn't matter because the parking lot was not visible from the suite. Parking was precious. A lot of business was lost because clients could not park their cars and it only got worse each year.

Be sure to spend plenty of time checking out places before you sign that lease. Had we done that, we would have found a better location, a nicer suite, and plenty of parking for less rent.

Getting Out of a Lease

When you get into something, you also need to know how to get out. Getting out of a lease may never become necessary. However, who is to say that in the future you may not want to relocate, have your eyes set on a new life perhaps or want to buy your own building. If so, the property owner may not be willing to let you out of the lease. It is best to be prepared for this going in. Even the kindest property owners can balk at letting a tenant out of their lease; that is the nature of business. The easiest option is if you negotiated a good lease up front. These are clauses that have the purpose of getting out of a lease.

- A break clause. A break clause allows the lease to be terminated early, either on a specific date or dates or any time during the lease, depending on how it is written.⁸ It will probably end up containing things you need to do before the property owner will honor the clause. The property owner will likely be very particular everything is done exactly before honoring the break. For example, one break clause required the tenant to paint with 3 coats before the lease would be ended. The tenant only used 2 coats, invalidating the break clause requiring the continuation of the lease.⁹

- A bail out clause. This allows the lease to go away if a certain condition does not occur, such as your sales reaching an agreed upon amount by a certain time.¹⁰
- A clause in the contract that discusses what happens if it is ended early. This is usually put there by the property owner so you or your lease negotiator may need to get that changed to something you can deal with.

However, if your lease agreement does not favor your getting out, there are other possibilities.

- You might try to find the landlord a new tenant. Perhaps the landlord will agree to take the new tenant and let you off the hook.¹¹ This is not likely to happen if you have been a good tenant and the owner is banking on you. However, if the owner is kindly, a new tenant with good references should be a fair exchange. You may have to throw an incentive into the pot which could be anything imaginable that the owner would agree to, as in the previous 3 coats of paint example. Adding the new tenant to your existing lease is not the same thing. You will want your name off the lease if you want a clean break.
- You could sublet the premises if your lease agreement allows this¹²—commercial leases generally do. If yours does not, then ask to have it put in the lease. You would find somebody to

use the space, pay you, and you would use part of the payment to pay the rent. If the person you rented to damages the premises or leaves, you would still be responsible.

- You could try to reach a new agreement with the landlord. If the property owner can likely re-rent, particularly for a higher amount, they may be willing to let you buy out the lease for a reduced sum.¹³
- You could try to sell the business to someone for the amount of the rent you would need to pay to the owner as incentive. Or for more if you can get it. You do not have to include your client list in the sale. They would naturally get some of your clients in the fall out but what the buyer is really getting is a ready built establishment. The landlord would have to agree to a new lease for the buyer as part of the deal.
- In the worst case of breaking a lease, you could be sued by the property owner. The lease agreement often contains a liquidated damages clause. This says the money to make the property owner whole is so difficult to figure out that we agree on this amount. Otherwise, the lease will have an acceleration clause that makes everything due now. It is possible the court will tell you to pay the property owner's attorney fee if they win.¹⁴

However, the property owner has a duty to mitigate damages. That means they must make an attempt to find another tenant and to re-lease the unit. If this can be done for the same amount or higher than you were paying, you're off the hook. If it leases it for a lower amount, you will owe the difference.

Since the property owner may not be terribly motivated to re-lease and since you don't want to get into court and pay attorney fees, you will need to rely on the other options for getting out of the lease. But the best plan is to get a lease up front with a break out, a bail out clause or some other provision for getting out early.

Building out

For a realistic estimate of how long it will take to get permits and do a renovation, triple the time you think it should take and then be prepared for it to take longer. By the way, if there is no need for renovation, the owner may throw in some free rent anyway, especially if it is a lease longer than a year or they have a high vacancy rate. So be sure to ask.

If you're hiring your own remodeling contractors, the industries you will be dealing with have a reputation for not being dependable. Try to get a referral from someone who is as forthright as you would like the contractor to be; generally people draw their own ilk, especially as they mature. Check the contractor's references and check out their workmanship. If they are currently working on another job, visit that job site as well.

Get copies of the contractor's insurance, license and worker's compensation insurance. Obtain binding commitments; have a written contract. Make sure everything is in the contract exactly. Make sure the contractor pulls permits where required. Otherwise, you could have a problem down the road. You may have to redo a shoddy job or the contractor may have Mickey moused in something that could become dangerous.

The following is a home example but a similar thing can happen in a business. A contractor installed a stove without a permit. Four years later there was a gas leak in a rusted line under the foundation. Two problems: the contractor had not vented the gas line to the outside as he should have and the line was in contact with the soil which it should not have been, causing the line to rust. Essentially it was a bomb and would have exploded if I had not sniffed it out in time and turned off the gas.

Installing work without getting permits could result in a Pandora's box. Sometimes if a city finds out work was done without a permit, partial demolition is required so a complete inspection of the work can be done.

Pay in stages as work is completed. Do not pay for work in advance. If you absolutely must pay for materials in advance, deal directly with the supplier and make sure the materials are delivered to your unit.

Sometimes a contractor is doing several jobs at one time or just sleeping in. Remember the squeaky wheel gets the oil. Be persistent. If they don't show up, call them immediately. Make sure there is a deadline agreement in the contract with a penalty if the work is not completed on time. The penalty should have a back-out clause. If they have not completed the job within a certain period of time,

you get to back out and they are penalized part of the money they would have gotten for work already completed. This is reasonable because of the time lost waiting for them to perform and having to find another contractor.

Look for hidden expenses. Renovation triggers requirements that were not imposed on preexisting structures, such as compliance with the Americans with Disabilities Act (ADA).

If you install a shower, for example, it will need to meet the ADA. The ADA was signed into law in 1990 to provide equal access to people with disabilities.¹⁵ The law requires new public accommodations and facilities being remodeled to be accessible to the disabled.¹⁶ Existing buildings need to have barriers to disabled access removed if readily achievable¹⁷ and to provide auxiliary aids and services.¹⁸ Even if it is “just little-o-you”, the accessibility provisions apply regardless of the size of the massage business.

Any alterations can trigger the necessity to be fully compliant with the ADA. Make sure you have the space and can afford the construction. Using the shower example, you may need to put in a shower that is large enough to meet the ADA requirements and be wheel chair accessible. You would need to make sure you have the space to accomplish this.

Don't go all out. Aside from certain renovations, live with the place as it is for a while so you will not

end up making unnecessary changes and wasting money. It is better to use the money you make from the business to make improvements than to use savings. The quality of your work will be the real draw and, of course, cleanliness.

Remember, when you do improvements, the work should be isolated from the clients, preferably done when the clinic is closed. This avoids the possibility of freak accidents, not to mention disturbing the client and appearing unprofessional.

Be sure to take some before and after photos (even if you're not doing alterations.) Not only is it fun to do comparisons, it also shows the condition the premises were in when you took possession.

Tips for Ordering a Telephone

Ask the telephone order taker for a catchy number. Some order takers will say they can only access three sets and that is all they can offer. Others will keep fishing for you.

With some phone companies, you can pay an extra one time fee for a catchy number but it's hardly worth it, especially since you can get one just as good for free.

If you're considering a toll free 800 number, reconsider. Your mission as a business owner is to keep profits high and costs low. If for some reason an 800 number makes sense in the future, you can add it at that time.

If you do decide on an 800 number and they don't offer a catchy one, ask for the website where you can enter and check your own combinations.

Insurance

Insurance...your licensing jurisdiction may require it, and there is a 99% chance your landlord or landlady will want you to have insurance of a certain amount.

The NCBTMB's Standard IV(b) states certificant must "*maintain adequate and customary liability insurance,*"... so there you are. However, the NCBTMB has not defined a dollar amount.

An insurance company can get it for you but it has been my experience that it can be gotten less expensively from massage associations. There is also a massage magazine that was offering it at a really good price but with less coverage.

Each massage therapist would have to be covered so you may have to require them to get their own insurance unless you go the insurance company route, then all present and future employees can be automatically covered.

In any case, make sure your insurance covers professional as well as general liability. Don't be hasty; shop around and get the best price.

Naming Your Business

If you choose to call your business anything other than your legal name, your jurisdiction may require you to register the business name. Even if it does not, your bank will if you decide to bank in a name other than your own.

In California, for example, this is done through a fictitious business name statement with the county clerk or recorder and must be done before the business signs any contracts or sues in the fictitious name.¹⁹ The name cannot match that of any already existing business. The county will have a list (which may even be online) of currently registered names.

In California, the process requires a notice published in a newspaper. The newspaper has all the forms and the business owner need only make a visit or call to the newspaper office. Sometimes you can find a very small newspaper which will publish what you need for much less than a bigger paper.

If you decide to use a business name other than your own, when choosing the name remember you will have to say it every time you answer the business phone. Therefore you want it to roll smoothly off the tongue and not be too long or easily misunderstood.

You will also have to write it and type it over and over and it has to be short enough to fit on forms etc. The wrong name can be costly and cumbersome in advertisements as well. The right name can help promote business. The wrong name can cause confusion or uncertainty.

For example, *Healing Touch* is seen occasionally. Though it is not unique, it is easy to say, not too long and is descriptive. On the other hand, a massage business called *Bodimetric Sentiment Institute* is more work to say than you want, too long, not self promoting and produces confusion. Also you would get sick of people continually asking "why the name?"

Be cautious of mysterious spelling because clients will be looking up your phone number or asking the operator. It would be nice if your business name were also available as a domain name on the Internet.

A lot of businesses use an extra 2-4 words under their name (called a tagline) to stand out from the competition.

The Ultimate Driving Machine (BMW)
The Real Thing (Coke)
Have It Your Way (Burger King)
We Never Stop Working for You (Verizon)

These tag lines reinforce the product in the mind of the listener. A massage business could use the same technique in print ads to engage the client. Massage Envy, a massage franchise whose clients buy memberships, could use a tagline: Massage Envy, Your Private Club.

Incorporating or Not

There are generally 4 forms a business can take—sole proprietorship, partnership, corporation or limited liability company. The information in this chapter is meant to give a general impression of how these 4 forms work. It is not designed to give legal or financial advice.

Sole Proprietorship

The most usual form is the sole proprietorship—you run the business and are personally responsible for the debts and taxes.²⁰ So if a supplier is not paid or if an employee injures someone, your personal assets (house, car, checking account) may be attached to pay a judgment.²¹

Since you're on your own, it's up to you to pay estimated taxes throughout the year including Social Security and Medicare.²² You owe the taxes on the year the business receives the income, not the year you pay yourself or withdraw the money from the business.²³ You file the same income tax return forms as usual with the addition of Schedule C ("Profit or Loss from a Business")²⁴ and a Schedule SE to report your self-employment taxes (15.3% of the first \$94,200 of income and 2.9% thereafter, as of this writing).²⁵ There are other forms if you have employees.²⁶

The second year you will do estimated quarterly payments to the IRS based on the amount you made the previous year. This goes toward what you will owe when you file your taxes again. If you make more than your estimated tax covers, you pay the difference at tax time and if you overpaid, you get a credit on the next year's quarterlies.

However, you'll need to keep strictly separate records between your business and personal life. Business expenses should be paid out of a business checking account.²⁷

This form of business requires the least amount of government paperwork to start—your license, establishment license, city business license and fictitious business statement will pretty much cover it.²⁸ If you have employees, you might see about getting an employer identification number from IRS.²⁹

A sole proprietorship is the hardest business form with which to raise capital. Your start up money is what you bring to the table and any loans you can drum up.³⁰ You can't issue stock, for example, in a sole proprietorship in order to generate start-up funds.

General Partnership

The second form of business is the general partnership.³¹ Here the business has two or more

owners. Each partner files separate income tax returns and pays individual quarterly taxes.³²

The partnership itself does not pay taxes though it files Form 1065.³³ The partnership also sends a Schedule K-1 to the IRS and to each partner.³⁴ Like a sole proprietorship, IRS taxes you on the income the business made (after all deductions)³⁵ times your percentage of the business, not on the money you withdrew.³⁶

An advantage of a partnership is you have someone to help run the business but it doesn't protect you from liability. All the partners are individually responsible for the partnership's debts and liabilities.³⁷ Say Sally and Jim form a partnership to open a massage business. If the business is sued and loses, not only can the plaintiff (the winner in the lawsuit) come after the business assets, she can pursue Sally and Jim's personal assets—their homes, cars, bank accounts.

Furthermore, this does not have to happen equally. For example, if Jim does not have enough assets the plaintiff may collect from Sally the amount to make the settlement whole.

This suggests another danger to a partnership. Any partner can commit the whole partnership to anything. For example, if a partner signs a contract on behalf of the partnership, the partnership is bound by the contract even if the other partners didn't know about or even knew about it and

disagreed.³⁸ You need to really know and have confidence in people with whom you're going into partnership.

There is no special paperwork required to start a partnership beyond that required for any beginning business.³⁹ However, it would be extremely unwise to enter into a partnership without a written partnership agreement. Because of the great power each partner has and the individual liability of each partner, there needs to be a written contract between you and your partner. This should include how decisions are made.

In a real life example, one partner kept firing a manager for showing up to work while drunk and for stealing, and the other partner kept hiring the manager back.⁴⁰ Neither partner could legally stop the other's action. Of course, the one partner could have the manager arrested for theft but the greater issue is the confines of a partnership.

If the division of profits and expenses will not be shared equally by the partners, this should be spelled out.⁴¹ This would be a good place to say who does what if the partners' responsibilities are different. How do we add another partner?⁴² If partners disagree, how do we decide what to do?⁴³

You may also want to spell out what business the partnership is in, so if you or your partner eventually incorporate another activity on the side, it

is clear it's not part of the partnership. How do you end the partnership?

One thing the agreement can cover is what happens when one partner leaves. Generally this ends the partnership. The agreement can make a provision for a buy-sell agreement so the remaining partner can buy out the departing one and the business can continue.⁴⁴ One important decision this agreement can make is how to calculate the price to be paid for the partner's share of the business.⁴⁵

You really need an attorney to draft such an agreement and to understand its provisions. Though somebody will probably sell you a book with a partnership agreement and the Internet has samples, the down-the-road impact of getting this wrong or of being burdened with a provision you didn't interpret correctly is so great, it is better to be completely and properly informed from the beginning.

If you don't set up the rules for your partnership, the state's law on the subject will govern.⁴⁶ If you decide not to draft a written agreement, it would be worthwhile to see what the state's regulations on partnerships are (you may not like them and then reconsider.)

So why would anyone bother with the hassle of a partnership? It is much easier and more interesting to have someone working with you getting a business started than doing it on your own. Another good reason is capital—with a second owner on

board bringing in more capital, you will need to produce less start up money personally.

Incorporating

Liabilities

Some massage businesses incorporate. Incorporating is a business device that is used in part to protect personal assets. Debtors cannot reach the personal assets of one who is incorporated with certain exceptions. Your landlord and suppliers who extend credit will probably ask for your personal signature (not as corporate officer) on all contracts, which make you personally liable for the debt. However, if someone sues the corporation, only the corporate assets are at stake. There are formalities though—you must, for example, hold the annual meeting and keep your assets and those of the corporation scrupulously separate. If you get loose with the details, the court will find that the corporation is not a separate person (that the corporation and you are the same thing), allowing the plaintiff to “pierce the corporate veil” and get at your personal assets.⁴⁷

Occasionally the person behind a corporation wants to pierce his own veil and the court says no. In a 1925 English case, a man formed a corporation to raise timber but bought the insurance in his own name.⁴⁸ When the trees burned down, the insurance company would not honor the policy because the man did not own the trees—the corporation did.⁴⁹ The court would not pierce the veil to reach around the corporation.⁵⁰

Taxes and a Corporation

A corporation pays its own income tax (except for an S corporation.)⁵¹ A corporation pays income tax and salaries the owner/s. The owner has to pay taxes on that income but it is a tax deduction for the corporation.

You can avoid this by making your corporation an S corporation. Then the business profits pass through to the owners as they would in a partnership, in a one person corporation, taxes are paid just once.⁵² However, the cost of fringe benefits, normally deductible from a corporation's income, is not deductible in a one-person S corporation.⁵³ A few states don't treat an S corporation the same as the IRS does, so you will need to see how your particular state structures the taxes on S corporations.⁵⁴ You may want to check with your accountant and run the numbers to see what kind of corporation will make the most sense for you.

Paperwork

Creating a corporation is more complicated than forming a sole proprietorship or partnership.

The choosing of a name is a little more complicated with a corporation. According to trademark law, your new business name cannot be confused with the name of a competitor. If your name is too close, the competitor can sue you,

forcing you to change your corporate name and to possibly collect monetary damages from you.⁵⁵

For example, if you sold copy machines and wanted to use the name "Xerox," the Xerox people might be concerned. In 1956, Ed Sullivan, a famous television host, sued a man *with the same name* who was running Ed Sullivan Radio and T.V., Inc. in New York. The two businesses were held to be so similar that the court ordered the TV company to change their name to E.J. Sullivan Radio and T.V., Inc.⁵⁶ Joseph Gallo wanted to sell cheese using his last name but his brothers, who owned E&J Gallo Winery, sued him. You'd think there's a big difference between cheese (you eat it) and wine (you drink it) but the court said no to Gallo cheese.⁵⁷

The naming is a fun part of starting a business. Take your time and find one that you really like and is unique. You might want a name that makes people think about you and not someone else. So it should not be too similar to anyone else's. Pepsi spends a lot of money making sure people don't confuse their product with Coke.

Your state will have a database of corporate names to check. Plus you may want to search Google and Yahoo and You'll definitely want to look at the US Patent and Trademark Office's name database at <http://tess2.uspto.gov/bin/gate.exe?f=tess&state=luqbm1.1.1> If you're ever sued and found liable for using a trademarked name and haven't checked this resources, you face increased penalties.⁵⁸ If your

state has a trademark database, check that also to make sure your name isn't too close to anyone else's.⁵⁹

You may not be competing with a similarly named massage therapy establishment if you're on the East Coast and the other business is on the West Coast. If they haven't federally registered the name, you may be able to use it because no one is going to confuse the two.⁶⁰ You'll probably incorporate in the same state where your massage therapy business is located. If you were in a business that could expand to more than one state, this would be a bigger question. But unless you franchise your massage concept, you'll probably be serving a local clientele.

Big businesses used to incorporate in Delaware because the laws there were friendly to business.⁶¹ However, many states have now moved in the Delaware direction.⁶² If you were to incorporate in Delaware, you would need (if you didn't live in Delaware) to also register as a foreign corporation in your home state and pay a fee.⁶³ Double paperwork... Check to see if you'll owe taxes in both states.

You may see ads to incorporate in Nevada where there's no personal income tax. What the ads generally don't mention is that you will have to hire someone in Nevada to be available during business hours if someone wants to serve papers against your corporation in a lawsuit. If you don't live in Nevada, you'll have to register as a foreign corporation in the

state where you're actually doing business and pay whatever applicable taxes that state charges.

There is a gambit where you rent a Nevada mailing address and get a Nevada checking account so you can pretend the business is really *in* Nevada and not register as a foreign corporation in your home state. This illusion may be a little hard to maintain for a massage therapy business. Supposedly you avoid your home state taxes and, of course, pay no income taxes in Nevada.

This entails some risks. In California, for example, to do business in the state without qualifying as a foreign corporation is a misdemeanor with fines of \$500 to \$1,000; people you've contracted with can sue to void the contract if you haven't qualified to do business in the state.⁶⁴

You will need to select your board of directors, who are ultimately responsible for corporate actions.⁶⁵ Thereafter, the board will be elected by the shareholders at an annual meeting.⁶⁶ The board generally chooses the corporation's officers.⁶⁷ If your state's law permits, you can have a one person corporation where you're the board of directors, the corporate officer and the shareholder.⁶⁸

You need to prepare articles of incorporation to file with the state. This document identifies the corporation's name, address and purpose, the registered agent to accept certain legal documents, and stock information.⁶⁹ The business purpose will

probably be very broad, in case you later want to use the corporation for something beside massage therapy. The registered agent will probably be you. Sample/boilerplate articles of incorporation are widely available at bookstores and possibly on your state's Secretary of State's web site.⁷⁰ Once the articles are ready, they are filed with the state's Secretary of State and pay a fee.⁷¹

A document you need to create but not file with the state is the corporate bylaws. This identifies the corporation's name, address and principal place of business; the number of directors and corporate officers who are authorized; the number and type of shares and stock classes which are authorized; the procedures for director and shareholder meetings (such as how often are they held and where); the procedures for corporate recordkeeping (including instructions on preparing and how they may be inspected); and how to amend the articles of incorporation or the bylaws.⁷² The board of directors will formally adopt the bylaws as one of its first actions.⁷³ Templates for bylaws are commercially available.

If more than one person holds stock in your corporation, you may want to create a shareholder agreement. There won't be much of a market for your shares you're not likely to be traded on the stock exchange so if a shareholder wants to cash out, this agreement can specify if the remaining owners have to buy the shareholder out and for how

much.⁷⁴ Also, if the shareholders are also running the business, you may want to restrict who the departing shareholder can sell to so you don't end up operating the business with someone with whom you can't work.⁷⁵

The corporation still requires all the paperwork you would have done for a sole proprietorship-- city business license, zoning permit, fictitious business statement.⁷⁶ If you have employees, you'll need an employer identification number from IRS.⁷⁷ Then open your corporate checking account and hold your first board of directors meeting, recording the proceedings in a minute book.⁷⁸ You're official! Don't forget to issue stock certificates to your shareholders.⁷⁹

Ability to Raise Capital

Another reason one forms a corporation (besides protecting their personal assets) is to raise money for the business without giving up some management control for the money (as you would with a partnership.) Except it is not that easy. If you're going to sell stock to people who are *not* (or more than 10 people who *are*) actively involved in running the business, your stock will need to be registered with the federal Securities and Exchange Commission and your state.⁸⁰ You will probably need a business lawyer to accomplish this.

Dissolving a Corporation

One of the ways a corporation is different from a sole proprietorship or a partnership is that it doesn't automatically end if someone dies or walks away. However, when the time comes, ending a corporation is more complicated than wrapping up a sole proprietorship or partnership. It requires a vote of the board of directors or, in some cases, a vote by the shareholders.⁸¹ All the creditors must be paid.⁸² Remaining monies are distributed to the shareholders.⁸³ A filing must be made to the state.⁸⁴

Limited Liability Company

Liability for company debts or judgments is held by the LLC—the LLC owners have no personal liability.⁸⁵ Just as with a corporation, however, if the owner also personally guarantees the debt, that owner is personally liable.⁸⁶ If the owner(s) intermingle LLC and personal funds, the LLC structure may be disregarded and they could become personally liable.⁸⁷

Although a LLC is like a corporation when you talk about liability, it is different when you discuss taxes. The tax liability passes straight through the business to the owners, as it does in a sole proprietorship or partnership, who must each make quarterly estimated tax payments.⁸⁸ LLC owners are taxed on their entire share of profits even if they don't receive them (they might, for

example, leave some in the business to buy things.)⁸⁹ The LLC itself does file an informational return (Form 1065) with the IRS.⁹⁰ Business deductions for LLCs are less generous than for corporations.⁹¹

Forming a LLC requires filing the articles of organization with, and paying a fee to, your state.⁹² LLCs are usually handled in the Secretary of State's office.⁹³ A second document, which is not filed with the state, is the operating agreement, which sets out what everybody does and gets.⁹⁴ If there is more than one owner, it is crucial that the operating agreement sets forth what happens when an owner leaves.⁹⁵ If the agreement doesn't deal with this, in most states the departure of an owner ends the LLC.⁹⁶ Having an operating agreement will help convince a court that a one-person LLC is not a sole proprietorship.⁹⁷

The ability of a LLC to raise capital is similar to a partnership—you bring in someone who is going to participate in the business and that person brings along money. It is possible to have a non-participating owner of a LLC but it gets more complicated and you may need an exemption from security laws.⁹⁸

Comparison Chart

	Liabilities	Taxes	Paperwork to Start	Ability to Raise Capital
Sole Proprietorship	Owner personally liable	Owner pays	None ⁹⁹	What the owner brings in or can borrow
Partnership	Each partner is liable for all	Each partner pays own share	None; written partnership agreement highly recommended	What the partners bring in or can borrow
Corporation	Owners and shareholders not personally liable	Corporation pays taxes; owners pay income taxes	Articles of incorporation filed with state. Bylaws and shareholder agreement recommended.	Sell stock. Gets complicated if stockholders not involved in the company.
Limited Liability Company	Owners not personally liable	Owners pay taxes	Articles of organization filed with state. Operating agreement recommended.	What the owners bring in

	Ending
Sole Proprietorship	No formalities
Partnership	Ends when partner leaves unless agreement specifies otherwise
Corporation	Usually vote of board of directors. Requires a filing with the state.
Limited Liability Company	Ends when any owner leaves unless operating agreement specifies otherwise

Accepting Payment

Of course, cash is always welcome. If you have employees, it is a good idea at some point to install a floor safe with a slot so they have a secure place to deposit the cash.

Do not use cash to pay business bills. It is better to use your checking account. Your accountant can get tax information directly from there, instead of having to go through all your paper receipts. Deposit all the money the business earns into the business checking account. Pay all business expenses either with checks written from that account or a debit card attached to the account. You can then transfer money from that business account into your personal account when you need it. You will need to keep certain receipts handy in case of an audit but all the information, income and expenses, will be in your business bank statements and check recorder. By the way, make sure your bank does not hold you financially responsible if your debit card information is hijacked and money is withdrawn from your account.

Accepting credit cards is a convenience for the client and helps increase business. Whatever bank you're established at may be the best place to first seek a merchant account. Usually a separate company processes credit cards and deposits the money in your account. Different banks may refer you to the same processing company but the

representatives of that company will quote different fees. So it pays to shop around. Sometime we have to take what we can get if we are not established. In that case you can wait till the second year to find better deals on processing. You do not have to change banks to change the company which processes your credit card transactions.

If you're planning on accepting insurance, consider not reducing your prices, or if you will, not by much. While you're treating the person with insurance, you may be losing a full price client. Also you're not getting the same returns for your energy and time, which is what you're selling in a service business. Not that you would not want to help everyone but you must think about supporting the business and covering your retirement. I have known many therapists who retired with nothing; not a home, not a bank account...nothing. They never saw it coming. So please plan and execute for your retirement. Then you will be free to spend the rest of your life as you wish.

Be sure to have your prices posted. The NCBTMB Standard IV says "*display/discuss a schedule of fees in advance of the session that is clearly understood by the client or potential client.*" This is a good idea as it prevents the possibility of an embarrassing misunderstanding later.

Record keeping and Confidentiality

Be sure to check the law on record keeping. You may decide to keep records the same way as your former employer did. That does not mean that the way the records were being kept was legal. It could mean the error was never discovered. Years ago I designed a client questionnaire to comply with a particular city's regulations (in California where there is (as of 2007) no state licensing for massage.) Since then, an exact duplicate of my client questionnaire is in every establishment I have ever visited. Certainly it is doubtful all those cities are requiring massage businesses to obtain the same exact information. More likely, the business owners were not doing their homework.

Also, client records should be kept confidential and not left lying about where they might be read by non-staff. Client information should be stored in a lockable cabinet or a passworded computer. Your licensing jurisdiction may have some regulations about record keeping, such as how long they may have to be kept or what information they should contain. The NCBTMB's Standard III Confidentiality also has some language concerning this subject.

Hidden cameras are everywhere. I was surprised the other day to discover my therapist had one of those motion detector cameras in his treatment room. It could easily have been there for years, for

all I know. He may have put it there for self-protection. Perhaps he had a problem at one time. In today's business environment video taping is very common. If for security reasons, one felt it necessary to videotape or make an audio recording of a client's session without the client's permission, they would be violating the client's expectation of privacy. Doing so may be illegal. California is one example.¹⁰⁰ It might have been better if he had just left his treatment door open. In some states it may be against the law have a live camera in the lobby without posting a notice.

Certain models of cell phones are now capable of taking photographs, some in low light. You may want to consider banning cell phones to protect client's confidentiality and privacy. Numerous businesses and government offices have done so. My doctor has a notice on the front door "No cell phones allowed."

Hiring

Consider hiring at least one other person to start if you do not have a partner. It will make the day go by easier. It will be safer with two of you and the energy will help attract business. It is best to hire someone you already know or someone who has been recommended. Check references and ask around to see what they have to say about the person. If you have never worked with them, hire on a trial basis. Agree to try them for period of time and, if it works out, then you can hire them officially.

Respect your employees. Create an atmosphere where they can function comfortably and work with them as a team. Never be moody; always be steady.

Do you want to do payroll, pay workers compensation insurance, and do payroll deductions for income tax, social security and other taxes? Would you prefer charging a rent as in the beauty salon industry? Would you rather they were independent contractors?

If they are to be considered an independent contractor, there are certain criteria which might be rigid to meet. An independent contractor makes their own hours, collects their own money and then pays the owner.

According to the Internal Revenue Service (IRS), if the hiring therapist has the right to direct or control the worker, the worker is an employee.¹⁰¹ Indications would include scheduling and training the worker.¹⁰² If the employing therapist has routines the worker is expected to follow, premises the worker is expected to work in, the right to discharge or terminate the worker, or a continuing working relationship with the worker, the worker is probably an employee.¹⁰³ Other indications the worker is an employee are when the employing therapist furnishes materials (such as lotion and towels) for the worker to use or pays the worker by the hour, week or month.¹⁰⁴ If this is the person's only job, that leans towards employee rather than independent contractor. A wrong decision on the employee/independent contractor question could be expensive if the IRS determines the status differently in an audit.¹⁰⁵ Back taxes and penalties may then be due.¹⁰⁶

Sometimes big companies make mistakes in this area. Microsoft hired independent contractors who had fewer benefits than employees and wore different colored badges.¹⁰⁷ These differences did not impress the IRS when it looked into the matter.¹⁰⁸ Once the IRS determined the "independent contractors" were really employees, the new employees sued Microsoft for back benefits, which the court awarded.¹⁰⁹

The IRS will determine whether a worker is an employee or independent contractor if asked. This requires the worker's consent.¹¹⁰ The form number is SS-8 and it is available at <http://www.irs.gov/pub/irs-pdf/fss8.pdf>.

Get the independent contractor's handbook to see if that is the way you want to go. The convenience of independent contractors is all you do is give the contractor a 1099 statement at the end of the year. Another arrangement to consider is having them pay you a rent. This is a common arrangement in beauty salons known as booth rental. It cuts down on paperwork. Your hairdresser or barber might be the most qualified to tell you how that arrangement takes place. There will be certain criteria that have to be followed in order to satisfy the IRS.

If you decide to do payroll, there are computer programs that will make that easier and also services that will do it for you for a fee. You will have to figure everything in and make sure the employee is profitable in a way that meets your goals. Most importantly, check with your state. States have their own rules pertaining to the status of a worker and what is allowable.¹¹¹

Be sure to get a contract with your employee and include the basic rules and policies of your establishment. Go over every detail with them so they don't get into the habit of doing something incorrectly. Otherwise, they have to practice

themselves out of it on top of getting use to a new place. Be certain they know the law as it pertains to them and the business. For example, a number of states specifically forbid refusal of an inspection by an agent of the massage board. If an inspector came while your employee was in session, the employee might insist they come back when you're there or when she or he is not busy. This not only gets the employee in trouble but you as well. You could have your establishment license revoked for just two or three similarly seemingly innocuous citations, depending upon how aggressive your licensing board wants to become.

You may have to answer for carelessness or misconduct by your employee which rises to the level of tort liability. In legal terms, which are often drawn from Latin, this is called "respondeat superior." loose translation, "let the superior give answer."¹¹²

This can only be applied if the employee is directly working for you when the event occurred. In other words, the employee was going about your business, doing their job and something went wrong.¹¹³ For example, your employee gives a treatment to an elderly client who, when the employee turns their back, falls off the table and breaks their collar bone. Let's assume that this proves to be an act of negligence on the part of the employee for not taking ordinary measures and proper precautions. In that case, you will probably be liable for the damages. If this, however, occurs in

the home of the employee, where they are conducting a side business and you're not involved in any way, then you're safe---if you can prove it. Now, if the injured client was also a client of your establishment, does it make a difference? Not likely.....you were not involved in the business transaction, you did not make the appointment for the client to go over there, it is obviously a separate location, you're not on the lease there, you received no monies or other gratuities from the situation, and you never gave permission to the employee to extract clients from your business.

If your employee was, with your knowledge and permission, representing your business at a sporting event, for example, and through neglect or malice causes injury, you would probably be held responsible. The fact that it did not occur in the business establishment makes no difference under these circumstances.

Florida has a law that forbids a massage therapist from arranging a sexual tryst in a massage establishment.¹¹⁴ That portion of the law does not specifically mention it has to be with a client. In other words, the therapist can tell someone, "I'm madly attracted to you. Meet me at my home where we can have consenting adult sex," and they would be breaking this Florida law. Notice there does not need to be a financial component to the arrangement in order for it to be illegal.

In this case, Florida has made it a point to make that illegal for the establishment as well. However, even without putting it into law, a state could still argue that the employer was equally responsible, in an attempt to pull the establishment's license. This law could be constitutionally vulnerable under free speech, but fighting it in court would probably cost the owner much more than the business is worth. An owner has to make sure employees are keen on playing by the rules. That is why it is important the employer know the people hired by checking their references, having a trial period and being prepared to dismiss them if necessary. Otherwise, the employer might end up staying awake every night worrying about this sloppy person they hired.

Sexual harassment is another thing that has to be looked at when you have employees. This does not mean the employer has to make a blatant sexual overture towards the employee for it to be sexual harassment. There are two ways an employer could commit sexual harassment: "hostile environment" or "quid pro quo."

The first kind of harassment refers to the behavior of others which unreasonably interferes with an employee's work performance or negatively affects an employee's psychological well being because the environment is intimidating, hostile or offensive. The behavior could be obscene, lewd or romantic in nature.¹¹⁵ The second type of harassment is more blatant. Here job benefits, keeping a job or other employment decisions are

based on meeting sexual demands.¹¹⁶ In either case, the employer is ultimately liable for what happens on the job.¹¹⁷ The NCBTMB Standard IV(i) says “*comply with all laws regarding sexual harassment.*” The employer can greatly lessen liability for any problems which do occur with hostile environment by having appropriate policies in place and following them.

The federal statute applies to employers with 15 or more employees; state law may differ.¹¹⁸ Links to the state laws are available at <http://www.de.psu.edu/harassment/legal/state.html>.

A hostile environment can occur when repeated language or writing is obscene or lewd (including whistling or leers), when continued sexual or romantic advances are unwelcome, when pornographic or sexual material is displayed, or when persistent undesired touching occurs.¹¹⁹ For example, a female pilot for Continental Airlines complained several times to management about pornography male pilots left in the cockpit.¹²⁰ Continental failed to respond to the complaints.¹²¹ She sued and the jury awarded the female pilot \$875,000.¹²² If it were a male pilot, he would have a case as well. Sexual harassment is not gender specific.

In a small Costa Rican village, a new teacher was instructing his class when he heard whistles and other sounds coming through the window. Across the way in another building were a number of female students standing in a window who were nosily

admiring his good looks. As individuals, the women would never have behaved so. As a group, they were emboldened beyond recognizing the inappropriateness of their behavior. After a time it became too much and the headmaster wisely intervened. One can see how a teacher in this situation could go from feeling flattered and embarrassed to feeling tormented.

This atmosphere can be created by clients, co-workers and others.¹²³ It is possible that an employee who was repeatedly harassed by any of these, who complained to management about it, and whose protests were ignored, could sue the employer for sexual harassment. This would indicate there should be some policy in place that addresses misbehavior and is followed through. In a case such as this, it might be wiser for the owner to personally set the offender straight or simply ban them from the premises. To do nothing or to leave it up to the employee may not be a good idea.

The U.S. Supreme Court has given employers a course of action. If the employer has a sexual harassment policy which prevents and corrects these problems and the victim-employee fails to use the channel(s) provided by that policy, the employer is protected.¹²⁴ Every employer, therefore, should take the hint and draft a written policy. See <http://www.rosklaw.com/harass.html> for eight points to consider.

Quid pro quo harassment (job benefits

conditioned on complying with sexual demands) is generally done by someone in authority, a supervisor or manager.¹²⁵ If the employee agrees to the act, the coerced consent may not relieve the employer of liability.¹²⁶ In other words, compliancy does not make the employee an accomplice in the eyes of the law.

There was a young woman who nearly had a nervous breakdown because her supervisor kept touching her on the back and making flirtatious suggestions. She felt helpless to confront him and did nothing. There was also another woman with the same problem. She tape recorded her supervisor, sued and walked away with a paid retirement. Both women were under pressure; they just responded to it differently.

Harassment can be implied—a discussion of workplace issues followed by an improper request was held to be quid pro quo harassment.¹²⁷ The harassment need not come before the request. An employee spurned a request and was later discharged for calling in sick; this was held to be harassment.¹²⁸ No negative job consequence, such as being demoted or fired, is required for the employee to bring an action—simply the act of being asked and having refused is sufficient.¹²⁹

Employees who are not the direct victims of sexual harassment can still bring a sexual harassment claim when they are passed over for benefits because less qualified employees submitted

to either kind of sexual harassment.¹³⁰

Advertising

First look for free advertising. In the massage industry, word of mouth is the greatest form of free advertising. Many therapists can stop or reduce advertising after a certain period of time. There is a bodyworker, a long time friend, who has never advertised or any other way solicited for business. His business grew entirely from word of mouth. He began with people he knew and word just spread. Now in his twelfth year, he is booked solid months in advance and has to work 6 days a week to keep his appointment book from exploding. He charges \$140.00 an hour. Mind you, he did not have rent the first few years, so advertising was not necessary for him as it is for those with a rent. But the fact that his business grew entirely out of word of mouth demonstrates its power.

There are many forms of free advertising. Introduce yourself to the other tenants when you see them. Tell them what you do; they are going to ask out of curiosity anyway. Ask them if they have ever had a massage or whatever the type of bodywork it is that you do. One or two neighbors as clients may pay your utilities every month. The right building can provide free advertising. If you're located in a building which houses related businesses as mentioned in the location chapter, you can attract those clients. Consider referring between non-competing businesses such as a good chiropractor whose office does not offer massage... a yoga studio,

nutritionist and the like. Leave business cards on bulletin boards in yoga studios, health food stores, gymnasiums, and anywhere else you can think of. Keep business cards on you for when you happen to run into these places or people where you can leave your business card.

Get around. Make yourself known so you can pick up clients. If you get some extra time, volunteer for something you feel is worthwhile and check out groups that interest you. Once people get to know you, they will want to make sure you have business. Tell your clients that if they know someone who might be interested to please give them your card. When a client refers someone, give them a little gift to show appreciation. Be creative, try different things. Have some fun with it.

Many therapists set up their e-mail so a customer query gets an automated message "I'll get back to you in X hours." All this does is tell the inquirer you received the e-mail. The inquirer already knows that. (If you hadn't, the customer's e-mail provider would have notified them that the e-mail bounced.) Therefore, try to make the automated message response personal so they feel there is someone really there. Give the name of the person who will get back to them. Let them know you're in session. Have the automatic responder include answers to commonly asked questions such as hours, prices and direction so it may prove of some value to the client.

Try to get back with them quickly. Consider checking your e-mail between appointments, so the inquirer gets a response within an hour or two during business hours. If this is too difficult, it would be a good idea to add a note to the e-mail such as "e-mails are replied to within.....hours." You would be better off not offering an e-mail address if you do not reply promptly. Because massage is a service business, answering e-mails quickly is a good way to show service is high on your priorities. Also, the timeframe for the inquirer's buying decision is not unlimited. In other words, if you don't get back to them meaningfully, they may discount your sincerity and move on.

Make sure the directions that are given are well thought out. Some websites give vague directions like "I'm behind the Bank of America." This is probably not adequate. Write down your directions and drive the directions like someone new to the area so you can finesse your instructions. Remember, if you're in session, you will not be able to guide them over the phone if they get lost. If they have to call to get more directions, then your instructions are probably lacking. Mapquest has a feature for your website where the client can enter the starting address and automatically receive detailed driving directions and a map to your business location. See http://www.mapquest.com/features/main.adp?page=If_dir for more information.

Think about signage. Drive around and look for signage that really gets your attention and that you can duplicate on your building. This one time purchase can draw as much business as a monthly ad.

False and misleading advertising claiming duties, rights or privileges not possessed by law can create problems for a massage therapist. If the therapist was negligent, a board investigation may include a demand to see all the advertising material the licensee has produced, including samples of all current business cards, letterhead, advertisements (newspaper, magazine and fliers) and current photographs of all business signs within so many days prior to the offence. If the violation was willful, there may be a suspension.

A therapist recently told the story of how this happened to him. A competitor had filed false complaints against him and others. All would have resolved in his favor as the charges were completely fabricated; except the licensing board did such a perusal of his operation, they found some of his business cards which, according to the state, suggested he was offering treatments which were not covered in his license and he was suspended.

Many states have laws covering misrepresentation. For example, in the state of Arizona it is against the law for a massage therapist to misrepresent themselves when communicating with the general public and is cause for disciplinary

action¹³¹. It is also against Arizona law for a massage therapist to "Falsely [hold] out oneself as licensed or certified in any discipline of massage therapy without successfully completing training approved by the board in that specialty."¹³² There are probably many states that have similar laws.

The NCBTMB Code of Ethics has language on the matter: "*Represent their qualifications honestly, including education and professional affiliations.*" This is an easy one because no one is likely to mess up accidentally. Also, you wouldn't want to claim an affiliation until you actually could prove it. For example, you wouldn't claim something simply because you were on the cusp of it becoming true. You would want some proof so you're covered.

The NCBTMB Code of Ethics III which says, "*Accurately inform clients, other health care practitioners, and the public of the scope and limitations of their discipline,*" may be more subtle. For example, I use to work as a medical profiler, going to people's homes, taking their blood pressure and medical history, asking for urine samples and, on some occasions, running EKGs. I liked it when they would call me doctor...I was young. After letting them know I was not a doctor, they would still ask me to listen to their heart or something else you would ask of a doctor. Sometimes people just assume, so you will have to be sure they have the correct understanding. Third parties who advertise a therapist's services can place the therapist in trouble

as well. Any such advertising must conform to all the same regulations as if the therapist placed the ad.

How will people know your business is there? How will people choose you? Those are the big problems of advertising. Since you're just starting out, it is important not to compromise revenue with high advertising expenses. Go slowly and make sure the place you advertise is productive. You might be surprised. My partner and I found a magazine that is just about in every waiting room here in Orange County. Our massage services fit right in with flavor of the magazine. We thought it couldn't miss. However, it did and in a big way. No one called on this great ad and half of Orange County had to have seen it.

Later we dropped an ad into a little throw away paper where people advertised their yard sales, cars for sale by private owners, handyman etc; there were no ads in there for massage. The ad took off. There were so many calls from that little throw away paper it became our main source of advertising.

Many people today are using the World Wide Web. Geocities.com offers free web sites (though the customer will see an ad provided by Geocities; the ads disappear if you upgrade by paying a small monthly fee). The company offers an automated "click and choose" system so setting up the web site could not be easier—they probably have the best platform for this. If you're not interested in point and click, Geocities has pre-formatted web sites where

you just fill in information and they put it up on the web. The web site will provide rudimentary data on the amount of times the site is visited, broken down by hour, day, week or month. Additional free statistics can be had by registering the web site at <http://google.com/analytics>.

Take care of where and how you advertise. The NCBTMB has certain guidelines concerning advertising. Be sure to review the NCBTMB Code of Ethics and Standards on advertising before you place your first ad.

In the NCBTMB Standards of Practice Standard I: entitled Professionalism, item Q says, *"use the initials NCTMB to designate his/her professional ability and competency to practice therapeutic massage and bodywork, or the initials NCTM to designate his or her professional ability and competency to practice therapeutic massage only."* Item T says *"use the NCBTMB logo and certification number on business cards, brochures, advertisements, and stationery only in a manner that is within established NCBTMB guidelines."*

Savvy clients know the NCBTMB represents the high professional credential in the massage field and will be looking for some indication that you're NCBTMB certified. Even those that don't know what it means will probably be impressed to see it. My accountant has affiliations and membership certificates and so forth plastered all over the wall in

his office. I don't know who these organizations are but I'm impressed anyway.

Some of the state boards and local jurisdictions have rules restricting advertising. Be sure to check the rules before advertising. For example, the West Virginia Massage Licensing Board has a law which states a licensee may not advertise in any way a service for a condition that would require diagnosis.¹³³ If a massage school suggested it was okay to diagnose or taught any classes which included diagnosing, the students would assume it was okay to do so if they had not read the law.

Many states and other licensing jurisdictions have laws about suggestive advertising. You're not likely to do that. You just want to make sure you're not giving the impression that you doing that, so look for anything that might suggest that you are. Where you advertise also influences how one perceives your ad. You just don't want people reading things into your ad that are not there and then have to straighten them out over the phone or even worse deal with it in session. Your energy is better spent elsewhere.

Florida has a law which says each massage therapist or massage establishment licensed shall include the number of the license in any advertisement of massage services appearing in any newspaper, airwave transmission, telephone directory, or other advertising medium. Washington

DC is another example: it has a similar law and there are probably others.¹³⁴ It should be mentioned the one exception to that Florida rule is the license number of a licensed massage therapist who is an owner or principal officer of the establishment may be used in lieu of the license number for the establishment.¹³⁵

Unlike the NCBTMB advertising requirements, which have an obvious ethical basis, state requirements may be unanticipated. That is why it is best to know your law well and not let these particulars slip by unnoticed. NCBTMB Standard II is entitled Legal and Ethical Requirements. Item (a) says "*obey all applicable local, state, and federal laws.*" So if a massage therapist breaks any of the local, state or federal laws, they may have to defend their certification with the NCBTMB as well.

If a business had an ad that said "Massage therapist to the movie stars" and dropped in a few well known names, it would probably get a lot of attention. However, if they were to say that Meryl Streep, for example, was endorsing their massage, she could sue for the misuse of her name. If they were to mention she is one of their clients, without first getting her permission, they could have a problem. She has a certain expectation of privacy and furthermore her name is licensed and when it is used to promote a product or service, she gets paid for that. Therefore, she can sue. One of the NCBTMB Standards addresses this as well in Standard III item (a), Confidentiality.

Standard IV is all about business practices. In fact, it is titled "*Business Practices*." In any case, you should go over all the Standards before you open because you don't want to accidentally jeopardize your certification.

Copy

Copy is the word for the text of your advertisement. Maya Angelou said that if there were a machine that could measure words, we would probably find out that words were real things. It seems that they are. They certainly have a relationship with the nervous system because particular words trigger particular feelings. For example, a woman would prefer to think of herself as "full-figured" rather than "plump," though they have the same meaning. When advertisers want to sell a woman weight loss, they use the word "fat". When they want to sell garments to the same woman, they use the word "full-figured". Both words mean the same thing but solicit different feelings. Full-figured just seems sexier...a larger cup size. The message is: buy something for your sexy body. Use the word "zaftig" and she's completely off the hook. Since it is a word not commonly used in our culture, it holds no associative feelings and is in a sense neutral. By carefully choosing your words and basic knowledge of key elements in advertising, you will save money and be more effective.

Think about the nature of the service in the mind of the clients because that is how you will relate to them. The NCBTMB website says that “The three (3) most often cited reasons for getting a therapeutic massage are relaxation (27%), relief of muscle soreness, stiffness or spasm (13%), and stress reduction (10%).”¹³⁶ From there you can introduce new concepts if you like. For example, after pacing them with mentions of relaxation, health, relief for aching muscles and other things that are usually in the mind of the potential client, you can move them into new directions. Then you can even tweak it by introducing some unique and intriguing method, technique or service. Be sure to present yourself as an expert in any new treatment. Get the prospect to start saying yes. That is what those marketers are doing when they call you....

Hello, is this Ms. Henderson?

Yes.

Ms. Henderson, this is a representative of So And So Bank. Do you still live on Atlantic Avenue?

Yes.

And that’s in Huntington Beach, right?

Yes.

And your zip code is 92646?

Yes.

And is the phone where the bank can contact you still 714-536-9849?

Yes.

Ms Henderson, I suppose you’ve heard about the problem of identity theft?

Yes.

The next move will be an offer to sell me something and to that I'm suppose to automatically say "yes."

This is manipulative, of course, and that is not the intent of massage industry. In the case of the massage industry, the goal is simply to pace the target. Therefore, pacing would look something like this...

Life hectic?
Feeling over worked?
Could you use a vacation?

Vacation with us!

Feel like royalty...manicure, pedicure, sauna and the
fabulous ST. TROPEZ MASSAGE

Yes, you do deserve it! Call 555-554-5454.

I don't recommend this ad. You're the expert in your services and the ad needs to come from that place and reflect your theme. It is merely an overt example of pacing and leading. You must relate to their experience. That is the pacing. Pace three times things you know are true, and these days, the first three things are true for a lot of people...their life feels hectic, they are overworked and who couldn't use a vacation? Then lead. Here the lead is the directive "vacation with us." It probably sounds too friendly for most applications but it was chosen anyway because it seems less like just another faceless advertiser. The copy was "You will be treated like royalty." But it was changed to "Feel like

royalty” to move the prospect into the experience and shorten the sentence.

What your service means to the prospect is how you will construct your language so you need to ask yourself “What is the nature of the product in the mind of the prospect? How do they relate to my services?” Services and products are sold as concepts. People purchase concepts. It may be a lipstick but it is the concept of beauty the purchaser is buying.

We know when people think of massage they think health, relief from aches and pain, self-indulgent feel-goodies, rest, relaxation, escapism, cures and so forth. The associations with these words are different for different people. Each of these words triggers an emotion. Behind the concept is an emotion. The sale is based on the emotions attached to your advertising words; just look at perfume ads.

The actual purchase sometimes requires justification. “I want this experience because...” and “I should buy it because I have to maintain my health.” Having to maintain health is the justification for purchase. Addressing these elements in your copy appeals to your prospect. In the copy above, the words “You deserve it” is used for the justification. In case that wasn’t enough justification, “Yes” is put in front of it and an exclamation point added. The “yes” and exclamation point are meant to curb an argument because the prospect might begin

to talk themselves out of it otherwise. Anticipate objections and head them off. "Yes" gives them permission to deserve it and further paces them. It is driven home with a "this is profound" exclamation point and follows with the directive to call.

The directive is very important. Never leave them hanging with just the number; tell them to call or something to that effect. You may think this is manipulation but in the massage industry, this is not manipulation. Massage is hard work which improves the recipients' well being. Value for value is being offered. But no one will realize that unless you get them on the table. You may be giving that prospect the only good thing that happened to them that day or even that week.

Remember, words trigger their own emotion so examine the emotion attached to the words you decide to use. "Credit card debt is like an infection - the longer you ignore it the worse the situation gets." Here the writer used a simple yet compelling analogy, "infection." (While the first sentence does not appear to follow the rule of being short, it feels like two sentences because of the dash.) *Infection* was a great word to use because it induces the emotion of seriousness and makes the reader read on.

Pointing out lasting value is also a good idea. For example, the lasting value of a massage is better health. If it was presented as just a feel good thing, the prospect may feel it lacks a result and is too

temporary to invest in. Pricing is another issue. Be careful about pricing. If prices are too incredibly low, the prospect suspects the service or product is inferior or lacking in some way (unless it is a sale or special one time offer.) It is a technique of advertising to put price comparisons in ads, even if it is just to say something like "We offer the best prices." Remember: lastly, ask for their business by giving them a directive as we did in the example ad. If it is a long ad, you can give directives in the body of the text as well as the end.

Notice how by using the word "fat" in the earlier example, the advertiser is pointing out a problem. In advertising, that's called "*solve the problem*" which is another sales technique. One has to be careful about this technique because it can be mercenary. However, identifying a problem and offering your services as a way of treating the problem, only makes sense.

In advertising copy it is best to keep sentences short and to the point, if not to the point, then very intriguing so you don't lose the reader. The first sentence of your copy needs to be compelling and short in order to get the prospect to read the rest of the material. Long sentences are too much of an investment for the ad reader. They want to get in and get out so they can determine very quickly if they are interested. Don't intimidate them with long sentences. Write short sentences by rereading and finding words that can be eliminated, especially in headings. Make every word count for something. If

you're promoting product lines that are gender specific, consider separate ads appealing to men and women so your ads are stronger and more focused. Make the prospect curious without being vague. Simple wording is key in getting the prospect to read your copy, whether it is a short ad or a lengthy brochure. When doing lengthy ads, be sure to do a summary of your offer at the end. Add drama where possible. Remember you're competing with other advertisers and need to stand out. When you're able to do a lengthy ad, such as a brochure, spend a portion of it on introducing yourself. Brochures are a good place to tell a story.

Make your ads personal; in your copy, use words like "you" and "we." Allow your copy to reflect your personality and that of the business. Introduce yourself. Who are you? What is your theme and how can this be communicated in your ad? The environment should be one of the elements in your imagery.

Typeface has its own personality. Use a typeface that suits your theme and is very easy to read. For readability, sans-serif fonts are considered better. This book is printed in the verdana; an example of a serif font is Times Roman. Some prefer the friendly and casual fonts, like Comic Sans.

A small ad leaves little room to make a pitch after you have inserted the basic necessary information such as name, phone number and services. Think of one or two words that you can use

to punch it up or a great one-liner. Remember, you're the expert in your services; you want your ad to reflect that so the prospect feels your confidence and knows you're credible. Something in your ad should offer them hope. Hope is very powerful and gives people something to look forward to.

Products

Assuming your licensing jurisdiction does not forbid your selling products, at some point you may want to offer these to your clients. Beauty salons make a good profit off their products because it does not require a service, which eats up time. You can spend an hour giving a massage and make just as much or more selling a product which only takes a few minutes. Furthermore, some clients may like the products so much they stop by just to purchase them and recommend them to friends, promoting your business. The selling of products requires you get a reseller's license and you would have to charge a tax on the item.

The products should be germane to your business. Ethically, it should also be something worthwhile for the client. The NCBTMB has some language concerning that. In the Code of Ethics XVII it says *"refuse any gifts or benefits that are intended to influence a referral, decision or treatment, or that are purely for personal gain and not the good of the client."* You would want to be sensitive to the ethical Standard. If someone sold a product which was not for the good of the client, they would be in violation of that ethic. Standard IV(f), Business Practices, backs this up by stating *"promote his/her business with integrity and avoid potential and actual conflicts of interest."* For one to make money by foregoing the interest of the client in order to simply increase profits would be a conflict of interest.

Luckily there are many great products on the market that easily fit into the massage and bodywork business. Also you will find it much easier to sell products you're enthusiastic about. Some products are already well known, especially certain brands of skin care products. People seek out the best prices or most convenient place when looking for a source. Remember to mention weight and size. Make it easy for them to make a purchase or place an order. There are products that are appliances that would be nice to sell such as air purifiers. These are usually bigger ticket items but, unlike skin care products and the like, clients are not going to buy them on a regular basis. Do some research and find really good products because you want them to fly out the door. Your good intentions will support you.

You want to be incredibly clear about what the product is offering. Avoid vagueness. Be prepared to explain them by understanding the technical explanation of the product. Remember: you're the expert. When you demonstrate technical savvy, it gives the client confidence and establishes your credibility. Determine what makes the product unique and prepare to convey this to the client.

Don't make the client feel obligated to buy. If products are nicely displayed, along with information pamphlets and prices clearly visible, that should be enough to peak their interest. Don't go all out financially on a product at first. Start slow and see how it goes. It's a while before products take off. Try to make the sale but also have samples, which

you should get from the manufacturer at no cost. Some manufacturers and their representatives do not have a standard deal. In other words, you can often negotiate how much product you're going to buy and at what price.

Speaking in Public

There are events such as walkathons where massage therapists have set up their tables but have given little encouragement to the public to participate. Sometimes just being around is not enough. If someone makes some short announcement over a microphone “We have massages over on the boardwalk,” that is not enough and an opportunity to influence and advertise to large group of people is not utilized. For example, if instead someone were to give a ten minute presentation on the benefits of massage, it would liven things up and gain the interest of those who might not have paid much attention otherwise.

There are two instances when a therapist may have to make a public speech—each requires a different kind of speech. When the therapist speaks before the city council, trying to influence an ordinance, they are using a *speech to persuade*. If the therapist gives a seminar or talks at a club meeting, they are most likely giving a *speech to inform*.

The two kinds of speeches have some common elements. The first problem is the Ho Hum Factor. How are you going to break your audience’s inertia and get them interested in what you have to say? You might quote a startling statistic. Or you could tell a story. Our ears naturally click into stories; the

audience's defenses are automatically lowered and suddenly they're listening.

But then they'll ask, what do I care about this? So you have to tell them why the topic of your speech concerns them. Speaking to city council, you might say that the new law would generate law suits.

Before you start speaking, look at your audience (this is called "taking the room.") Do the same thing while you're speaking. Not only will the audience feel more connected to you as you talk (as opposed to thinking you're giving a canned address), you can assess them for feedback. If you see several angry, dissenting faces in the crowd, you may decide to elaborate on the point you're discussing. Don't be discouraged, though, by unfriendly faces. Those people may be unhappy for entirely different reasons (fight with boyfriend, irritable clerk at the convenience store). Gain confidence from the smiles in the audience. Author and professional speaker Dr. Ken Snyder states that simply by making eye contact, you increase the effectiveness of your speech by at least a factor of five.¹³⁷

A good technique to keep the audience's attention as you move along is internal paragraphing. Tell them what you're going to tell them, tell them, and tell them what you told them.

Jack Welch uses this technique in his book, *Winning*. He writes there are 5 things to do for this issue. He lists the five, and then goes through each

individually in depth. Afterwards, he restates the problem and again lists the five ways to deal with it. If you do this, your audience won't lose the way you're thinking about your topic. If you skip this, you may get deep into your speech, thinking you're being very clear, but somebody else may be wondering, "Why is this person talking about that?"

For example: Tell them what you're going to tell them: "I am going to explain how massage relieves headache, helps you sleep, relieves muscle stiffness and increases circulation." Then go into detail explaining each one. After you have told them, tell them what you have told: "Now you understand how massage relieves headache, helps you sleep, relieves muscle stiffness and increases circulation."

Be aware of volume, velocity and vocabulary as you speak. You want to speak loudly enough so everyone can hear you, including the person way in the back. You want to vary your speed and tone—the easiest way to put the audience into slumber is to use a same-paced monotone (if you do this, have a stirring wake up segment at the end!)

Your delivery will go a long way towards wowing your audience and can even move listeners who aren't completely with you on the facts. Speak confidently, with no hesitations (except for applause!)

Vividness of language will improve your speech. In 1963, Martin Luther King, Jr. gave his "I have a

dream" speech.¹³⁸ He spoke of Blacks living in a "lonely island of poverty." He went on to say, "In a sense we've come to our nation's capital to cash a check. When the architects of our republic wrote the magnificent words of the Constitution and the Declaration of Independence, they were signing a promissory note to which every American was to fall heir. This note was a promise that all men, yes, black men as well as white men, would be guaranteed the "unalienable Rights" of "Life, Liberty and the pursuit of Happiness.""

Putting civil rights in terms of a check and promissory note is a unique way to express the issue. He went on to say the check came back "insufficient funds"—he forwarded his point with a striking metaphor which made his conclusion easy for the audience to remember.

Two techniques to make your speech more effective are repetition and enlarging the issue. By repeating a phrase several times in your speech, you give structure to your address. This gives the audience a place "to hang their hat," to follow your argument. Martin Luther King, Jr. did this by saying "I have a dream," describing an element of that hope, and then repeating the phrase before discussing another part.¹³⁹ Al Sharpton did it when he again and again invoked "the promise of America."¹⁴⁰

Enlarging the issue ties your subject into the bigger picture, making it more important. When

President Kennedy spoke on civil rights in 1963, he said “This is not a sectional issue ... We are confronted primarily with a moral issue.”¹⁴¹ Suddenly we’re no longer talking about Black students attending the University of Alabama—we’re into a national, ethical question. That “growing” of his subject made the speech more effective.

If you’re trying to argue something is not very important (such as an error you made), enlarging the issue is very useful. When Newt Gingrich admitted to having an affair while President Clinton was being prosecuted for a similar incident, he attempted to distinguish the two. The issue with Clinton, he said, was not about a woman, it was about lying under oath.¹⁴² *That’s* enlarging the issue.

You will probably use lots of examples as you seek to show your audience the subject you’re talking about. When you quote a name to make a point in your speech, make sure you get the name right. Robert Allen, a financial self-help guru, was giving a seminar where he referred to the then-head of General Electric as “Bob” Welch.¹⁴³ The fact that Allen didn’t know the correct first name of the CEO of the world’s second biggest company¹⁴⁴ hurt his credibility. (Welch’s first name is actually Jack.)

When you quote a source, make sure it’s credible. Robert Allen (again) was talking about home equity and mentioned an article in *Reader’s Digest*.¹⁴⁵ The *Digest* is a great publication but not a particular authority on mortgages. He would have

done better citing the *Wall Street Journal*, *Fortune* or *Forbes*. On the other hand, if you're lecturing about how to do a particular massage technique, talking about *Massage Today's* research is going to be better than quoting from the *Wall Street Journal*. The problem here is the listener may think, "That's the best source he/she can find? It's not very close to what he's talking about." Using an "off point" source for evidence weakens your presentation.

The two main differences between a speech to persuade and to inform are their purpose and the command element. With the first kind of speech, you're trying to convince the audience to do something—change a law or buy your massage, perhaps. The most important point of a speech to persuade is the command. *You have to tell them what it is you want them to do.* Al Gore made a film, *An Inconvenient Truth*, which was essentially a speech to persuade us that global warming is a problem we need to solve—but he never gave the command, never told us to solve it or how to solve it.¹⁴⁶

For a different approach to telling people what to do, listen to Rev. Al Sharpton's speech at the 2004 Democratic Convention.¹⁴⁷ Regardless of whether he convinces you or not, no one was ever in any doubt about what Sharpton wanted you to do (vote for his candidate)—the speech exemplifies the command element of a speech to persuade.

On the 1968 night Martin Luther King, Jr. was killed, Robert F. Kennedy spoke extemporaneously to a crowd who had not heard the news.¹⁴⁸ In six minutes, he told the audience what had happened and asked them “to return home.” There were riots in over 100 American cities that night but only minor incidents in Indianapolis where Kennedy had spoken.¹⁴⁹ That’s a speech to persuade whose command element succeeded in a big way!

The other kind of speech a therapist might have to give is the speech to inform. Perhaps you’re speaking at a club meeting or Kiwanis or Rotary meeting. Maybe you’re talking at a seminar. In any case, if you’re trying to teach, telling the public about the benefits of massage, then your main purpose is not to persuade them to do something. Instead, it is to inform them. So the command element is not necessary here.

The speech to inform is a good way to implement the NCBTMB’s Code of Ethics: “Accurately inform clients, other health care practitioners, and the public of the scope and limitations of their discipline.”

When President Kennedy told the nation on television in 1962 of missiles in Cuba, he was making a speech to inform.¹⁵⁰ He wasn’t trying to get his audience to do anything. In the second sentence, he began presenting the evidence. He used a portion of the internal paragraph technique by numbering his response to the crisis. He said, “First, to halt this

offensive buildup ...". A little later, he noted, "Second, I have directed ..." By breaking his speech into seven points, he gave the audience a way to understand and follow his thinking more clearly than if he'd delivered the speech without breaking it points down for them. In *The Fog of War* documentary about Robert McNamara, Secretary of Defense during the Vietnam conflict, the same technique was used by breaking the movie into eleven lessons about war.

If you take questions at the end of your speech, you may occasionally get hostile or taunting questions. It is very important that you not respond in kind. When President Clinton introduced Ruth Bader Ginsburg, his nominee for the Supreme Court, to the press, a reporter asked a possibly obnoxious question. The president responded angrily. President Kennedy might have parried the query with humor.

Comedian Jay Leno was heckled early in his career on the Johnny Carson Show. He turned to Carson and said, "This is the kind of kid who sees the cowboy being stalked on TV and who knocks on the set trying to warn the hero." The audience laughed, Carson smiled and the situation was defused.

That's it. Overcome the Ho Hum Factor and tell the audience why it cares about your subject. Internally paragraph your speech, using volume, velocity and vivid vocabulary. Enhance your performance with repetition and by enlarging the issue. Quote credible sources. If you're trying to

persuade, don't forget to command the audience.
You'll have a great speech.

Running a Business From Home

You may work from home if licensing and zoning allow it. Working from home used to be more common in the past than it is today. When I first started massaging, people just hung their shingle out and they were in business. Most cities didn't care that they were doing massage or hair dressing in their home. There are some clear advantages to working from your home. Foremost is economical. Also if traveling is too burdensome, working from home solves that problem. You could build your clientele and then open an office, if you still wanted to.

There are also disadvantages in working from home. If one blurs the line between work hours and private time, they could end up afraid to leave the house in case they miss a call. Or they may drag their cell phone with them everywhere and be afraid to go to a movie because they will have to turn it off. So if you do decide to work from home, or are working from home now, it might be a good idea to have set business hours and not get in the habit of making exceptions.

Working from home means you will still have to have a professional looking therapy area, perhaps a special room and shower. The main thing is you would have to keep a nice clean home with no

distractions and not too many signs of other activities to distract from your professionalism. The treatment room ought to be off limit to pets. Many people are allergic to cats or dogs. An inexpensive portable air filtration system will assist in keeping rooms dander-free. Brushing your pet daily out of doors helps as well.

If you plan to work from home, it is recommended you check out a few others who are doing this by going as a client and having a treatment so you can see what does and does not work. It is not uncommon for businesses that have been in the same location a number of years to start to get run down, especially if they don't have a maintenance service. We may not be aware of our own messiness because it is our home but the client would be uncomfortable with this. Therefore, if you decide to work from home, make it a priority to keep your home very tidy and clean. A separate entrance to the therapy area would be helpful in this regard. NCBTMB Standard IV (a) says "*provide a physical setting that is safe and meets all applicable legal requirements for health and safety.*"

No doubt if you're licensed in your home, you will be subject to the same inspections as anywhere else. In fact, in some cases they may be even more stringent. This is good because it helps keep you on your toes. It is good to take an inventory on occasion and get rid of the obsolete. One of the most of important things to consider in working from home is liability insurance. You will want to make

sure you're covered by professional and general liability insurance.

Buying an Existing Business

You will probably find a business for sale in the local newspaper. Or you could go through a broker. Going through a broker can be a cleaner transaction since the broker has no personal attachment to the business. Also the broker is concerned with closing the sale so if you make an offer, he or she will probably encourage the seller to consider the offer if there are no other seriously interested parties. However, the seller may have hiked up the price to pay broker fees. Realize that, as of this writing, there is no business broker licensing requirement at the federal level. Some states merely require business brokers have real estate licenses. Brokers work for the seller not for the buyer. They take their fees from the seller.

You must decide what buying an existing business will do for you and how that would compare with opening your own. Will it save you money because it is already built out and equipped or are things outdated and in need of replacement or repair? Is everything up to current code or will the change in ownership trigger the need for additional repairs? If so, how much will it cost? Is the location grandfathered? Does that grandfathering transfer to you? A simple stop at the city building department should give you a good idea about what to expect.

You must look at the accounting and appointment books for the business to see what the clients are buying and break this down to percentages. If 30 percent of the income of the business is brought in by a particular therapist and they leave, what have you bought? See if there is an income pattern; they may have had a great year last year but not consistent annually. Or summers generate a lot of business and it dies in the winters. You will want to know what you can depend upon in terms of income. However, you will not be able to pin it down exactly because past performance is only speculation of future earning.

Consider not making unnecessary changes to the décor until the clients have become comfortable with the new ownership. You will want a new lease. If you make the lease payments to the tenant of record and he/she does not forward it to the property owner, you could face eviction. As a sublessee, you're subject to eviction by both the tenant of record and the property owner. However, if rents have gone up and the existing lease has excellent terms, it may be a good reason to sublease as opposed to a new lease with higher lease terms. You could arrange to bypass the tenant of record and pay directly to the property owner. Make sure the tenant of record signs a sublease agreement and the property owner has okayed it with a signature.

What comes with the business? Be sure that the website and phone numbers are included and any e-mail addresses and all intellectual property, such as

art work, brochures and logos. Consider getting a non-competition agreement with the owner and asking them to stay on until you have become established with the clients and are familiar with how this particular business functions. Make sure you're not buying any of the business's debts and that they have been considered in your calculations. If the business spent 25% of its income on advertising or perks to entice clients in, you want to know about it.

Be sure to contact an attorney to look over your agreement in case there is something you're not seeing. The seller may ask you to pay extra for "goodwill." Goodwill is intangible and includes things like the business reputation and clients. There is no guarantee the clients will continue on, so if you decide to pay anything for the good will, make sure it can be justified.

It is best to keep the original workers at least for the time being. You do not want to get rid of a valuable business asset.

Some Establishment Reminders

It is best if an establishment does not allow smoking. It may be illegal in any case. Even if it is not, there is a health factor which must be considered. Cigarette smoke dirties the walls and may irritate nonsmoking clients as well as cling to their hair and clothing. Some are offended when exposed to a known carcinogen. If an owner or worker has to smoke, there should be a discrete area outside established for that or somewhere far enough away that the smell of cigarette smoke can be controlled. If you're going to have smoking rules, it would be best to establish them immediately to avoid resentments later. If you, the owner, are the smoker, then you can do whatever you want, provided there is no law that forbids it. Just bear in mind that it may affect business.

Use of perfume may be irritating to some, especially because of the close proximity between client and therapist. Natural scents may be a better choice, if anything is used.

Many chemicals are used in homes and offices. Some people are more sensitive than others. If a clinic has chemicals and fumes lingering in the air or on surfaces, it may adversely affect the client. (Good ventilation will help.) For example, bleach is often used as a germicide but should not be inhaled. An EPA registered disinfectant with bactericidal,

fungicidal, and virucidal activity is a good choice for cleaning non-electrical instruments and equipment and can be purchased at beauty supply stores.

Pets should not be in the immediate treatment area (except for those required for the client's health, such as seeing-eye dogs).¹⁵¹ It can be distracting. The law or your lease may forbid pets anywhere on the premises.

Inadequate lighting is another safety hazard. Massage is generally given in subdued lighting and many therapists become use to functioning in this type of lighting. Stay aware that clients coming from bright sunlight may not see well until their eyes have had a chance to adjust. For some, particularly the elderly, this may take a long time. Sufficient light should be available for the client until the client is on the table.

Your Theme

In some of the previous chapters, there was mention of a theme. Your theme is based on your character and interests. Look around and you can probably guess the theme of others, even if you have not given much thought about your own. You may have been limited by the places where you were employed. Generally a theme is built into the business and the workers' job is to support that theme.

Now is your chance to get into the things that really interest you about your industry and its potential. For example, if you gravitate towards natural medicine instead of prescription drugs, now is your chance to incorporate this theme into your profession in a meaningful way. You may seek out some very good products to sell. You may find a naturopathic practitioner with whom to form a mutually beneficial relationship. You may decide to become an expert on the subject yourself.

If athletics are something you have always been drawn to, you might want to become a personal trainer on the side or at least fit yourself into the athletic goings-on where possible.

Decide on a theme or let it decide on you. There are many themes in the massage and bodywork industry. Are you New Age, sports, clinical or a combination? Find what is comfortable for you and

build your theme so you can attract the type of clients who suit you.

Your business environment should convey your theme to give it some flavor and help it stand out. You will find your work more enjoyable and draw the clientele that feeds your interests. Also, think of your environment in terms of the senses and appeal to all the senses by applying things that reflect your theme. This includes your décor, lighting, your appearance, products, where you advertise, your techniques, equipment and choice of background music. Even if it is eclectic, the main thing is that you have allowed your business to be an expression of your character.

Some Final Words

Some say an individual must have a certain temperament or certain traits to run their own business. It is really about skills: people skills, investigative skills, and a willingness to recognize your weak areas. No one is "just that way"; they just don't know the alternative. If you don't have a certain skill, pick up a book, take a class or consult an expert. The information is out there. One just needs to find it. People that lack confidence are usually lacking information. Also recognize how you move and your posture. Sometimes the body leads and the mind follows instead of the other way around.

Some people think they need special communication skills in business. Look around you. There are people who have thriving businesses who barely speak English.

Occasionally, this lady would call up and chatter for half an hour or more while both of us struggled to understand one another. The telephone conversations were her way of practicing English. She would attend meetings with other owners and whenever she spoke, everyone would look at each other and say "Huh?" No one was quite sure of what she was saying. She is retired now but she had a very successful massage practice. She didn't conquer the language but that never stopped her.

Things don't always get to run smoothly. So now you know....big deal. My partner and I had very little experience before we started a business... we just knew we didn't want to work for a boss any longer. What you don't have, you can get but here are some basics. First be certain that you want to be in this industry. Otherwise, you may undermine yourself.

Don't rush to make a business decision; it is not a matter of life or death. Learn how to listen to your gut. If something doesn't feel right, either you don't have enough information to follow through or it simply isn't right.

Business is business; never react to it emotionally. If people, especially employees, see an owner overwrought in response to business matters, they will lose respect for them. You can be candid and still be cool.

If you're one of those people that have a hard time saying "no," practice vocalizing it now. There are a million ways to say it; "Sorry, that's not possible".... "No, that doesn't feel right" and just plain "No." Be sympathetic but stand your ground.

Stay ahead of your work load. Don't put things off till the last minute because you don't know what might come up.

Decide what your bottom line is. The bottom line is what you should base your business decisions on. Part of that bottom line, if not the entire bottom line,

has to be the financial consideration because you need money to keep going. You may have many things you want to accomplish with your business and you can, as long as you remember business runs on finance. Sure, there may some areas in this book that make starting a business sound like a big deal. But think about it...you have probably leased a home, paid utilities, bought something (selling is just the other way around) and dealt with licensing...nothing to it. In fact, starting a business is an opportunity to be creative and have some excitement. You don't have to think about it right now. Let your subconscious chew on it for a while; bon appétit.

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