



When AI Can and Cannot Replace a Lawyer

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By Tory Auld



Hello! I'm Tory

I am a lawyer who specializes in corporate and real estate law.

I run a virtual law firm based in Milton, Ontario.

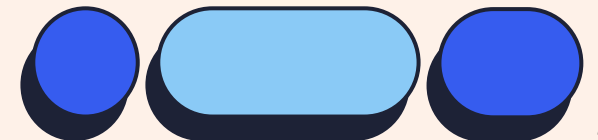


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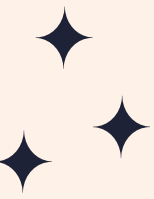
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a Business**

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01

Setting Up a Business



Demand Letters



You

Can you draft a demand letter please?



ChatGPT

Certainly, here's a simplified template for a demand letter. Keep in mind that the specific details and legal language may need to be adjusted to your particular situation. It's strongly recommended that you consult with a legal professional to tailor the letter to your needs accurately.

[Your Name]

[Your Address]

[City, State, Zip Code]

[Email Address]

[Phone Number]

[Date]

[Recipient's Name]

[Recipient's Address]

[City, State, Zip Code]

Re: Demand for [Specify Nature of the Claim]

Dear [Recipient's Name],

I am writing to formally demand [Specify the nature of the claim, e.g., payment of an outstanding debt, resolution of a contractual dispute, return of property, etc.]. The purpose of this letter is to express my serious concern regarding the matter and to request prompt action to rectify the situation.

[Explain the background and circumstances of the claim, including relevant dates, amounts, and any supporting documentation.]

I have made previous attempts to resolve this matter amicably, but my efforts have been unsuccessful. As of [Specify a reasonable deadline, e.g., "within 14 days from the date of this letter"], I demand the following actions:

[Specify the actions you expect the recipient to take, such as making payment, returning property, fulfilling a contractual obligation, etc.]

If the requested actions are not completed within the specified timeframe, I reserve the right to pursue legal remedies to protect my interests. These remedies may include, but are not limited to, initiating a lawsuit to recover the outstanding amount, seeking injunctive relief, or reporting the matter to the appropriate regulatory authorities.

Please be aware that any legal action taken may result in additional costs and expenses for both parties. It is in our mutual interest to resolve this matter promptly and amicably.

I request that you acknowledge receipt of this letter in writing within [Specify a reasonable timeframe, e.g., "five business days"]. Failure to respond to this letter or to take appropriate action may leave me with no alternative but to pursue the matter through legal means.

I urge you to treat this matter with the seriousness it deserves and to avoid unnecessary legal expenses and inconvenience for both parties. I hope that we can resolve this issue promptly and professionally.

Sincerely,

[Your Name]

[Your Signature]



Incorporation Prompts



You

Can you make a quick list of the naming rules for an Ontario corporation?



ChatGPT

Certainly! Here's a quick list of naming rules for an Ontario corporation:

1. **Distinctiveness:** The name must be distinctive and not cause confusion with existing names.
2. **Legal Element:** Include a legal element such as "Corporation," "Incorporated," "Limited," "Ltd.," "Inc.," or their French equivalents.
3. **Prohibited Words:** Avoid using prohibited or restricted words and expressions.
4. **Descriptive Words:** Descriptive words should accurately reflect your business nature.
5. **Language:** Names can be in English, French, or a combination of both.
6. **Name Approval:** Submit a name request for approval.
7. **NUANS Report:** Obtain a NUANS report for federal corporations.
8. **Business Activity:** Ensure the name reflects your actual business activities.
9. **Consent Letters:** Obtain consent for names with restricted words or phrases.
10. **Filing:** Use the approved name in your Articles of Incorporation filing.

Remember to consult official government resources for the most up-to-date and detailed information on naming rules in Ontario.



Incorporation Prompts



You

Can you help me incorporate a business in Ontario? Please run me through the required steps. But keep it short please

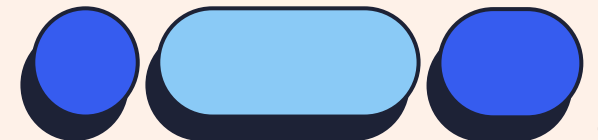


ChatGPT

Certainly! Here are the simplified steps to incorporate a business in Ontario:

1. Choose a unique business name.
2. Determine your business structure.
3. Register your business name.
4. Create Articles of Incorporation.
5. Appoint directors and officers.
6. Obtain a Business Number (BN) from the CRA.
7. Register for HST/GST if required.
8. Register for Ontario Employer Health Tax (EHT) if you have employees.
9. Comply with permits and licenses.
10. Pay the necessary fees.
11. Keep accurate records.
12. Consider legal and tax advice.
13. File annual reports and taxes.

Remember, it's essential to consult with professionals for specific guidance based on your business needs.



Articles of Incorporation Form

ARTICLES OF INCORPORATION

1. Name of the Corporation:

The name of the corporation is [Your Corporation Name].

2. Registered Office:

The registered office of the corporation shall be located in the Province of Ontario, at [Address of Registered Office].

3. Purpose of the Corporation:

The purpose of the corporation is to engage in any lawful activity for which corporations may be incorporated under the Business Corporations Act (Ontario).

4. Classes of Shares:

The corporation is authorized to issue an unlimited number of [Common/Preferred] shares, each with a par value of [Par Value, if applicable] per share.

5. Restrictions on Share Transfers:

[Optional: Include any restrictions on the transfer of shares, if applicable.]

6. Directors:

The affairs of the corporation shall be managed by a board of directors, who shall be elected by the shareholders at the annual meeting of shareholders.

7. Bylaws:

The directors may make, amend, or repeal the bylaws of the corporation, subject to the approval of the shareholders.

8. Dissolution:

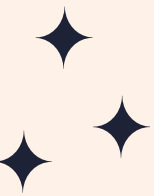
Upon the dissolution or winding up of the corporation, any remaining assets shall be distributed to [Specify the recipient or method of distribution].

9. Amendments to Articles:

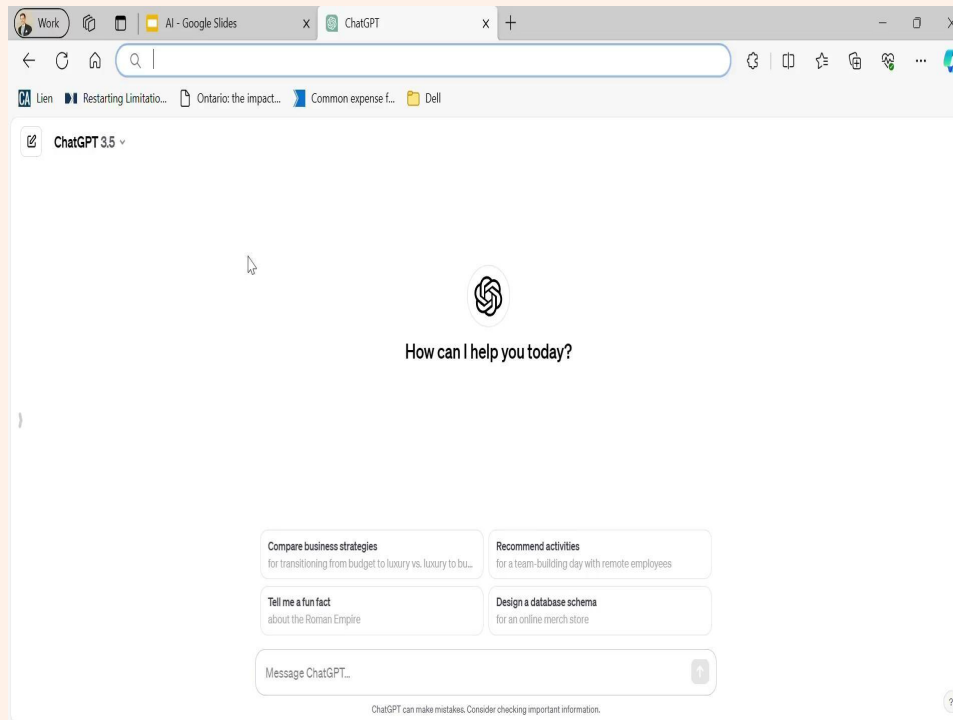
These articles of incorporation may be amended by a special resolution of the shareholders.

10. Effective Date:

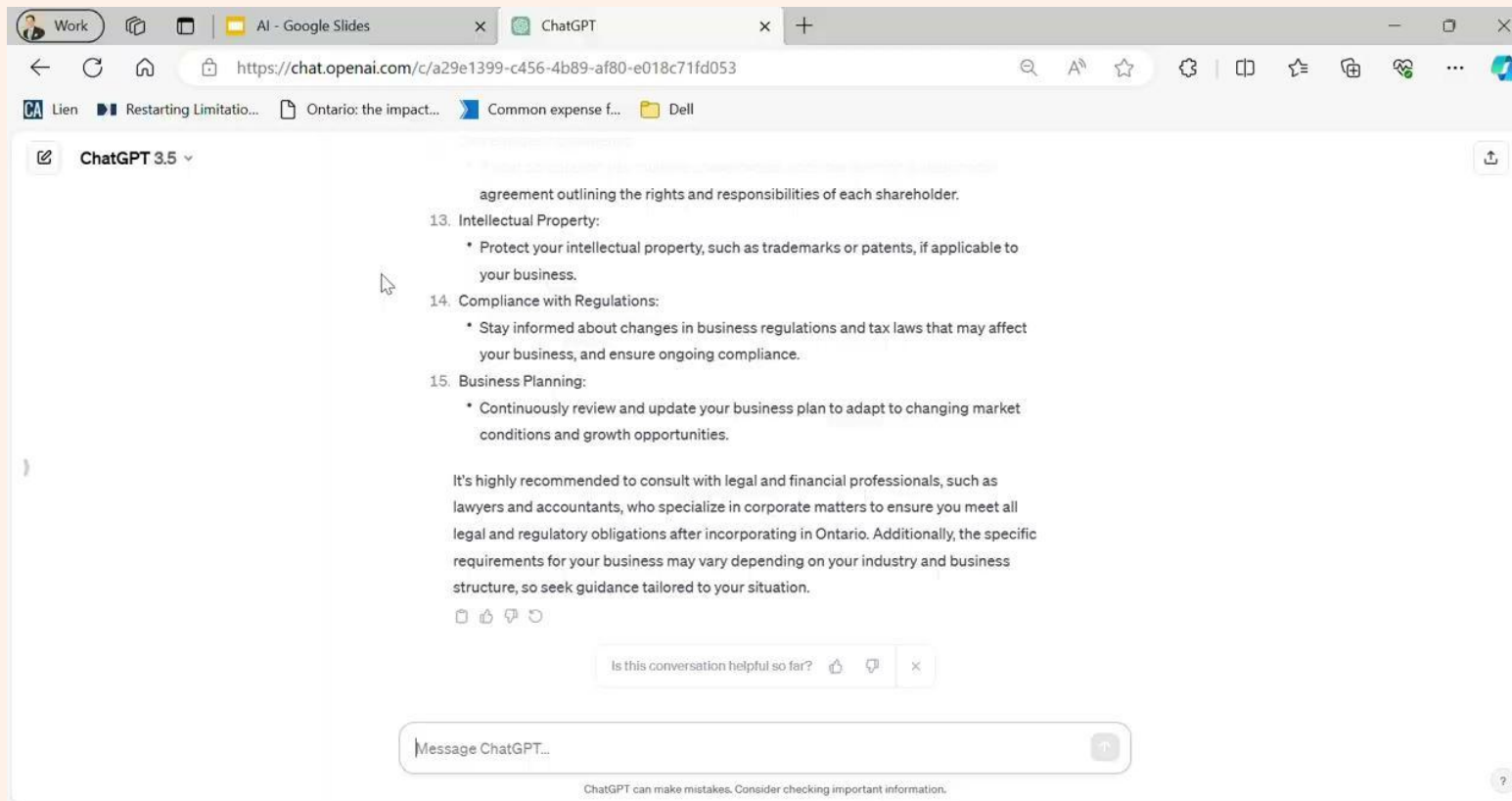
These articles of incorporation shall be effective upon filing with the Ministry of Government and Consumer Services under the Business Corporations Act (Ontario).



Post Incorporation Prompts



Post Incorporation Prompts

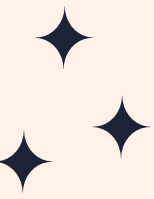


The screenshot shows a web browser window with a ChatGPT 3.5 chat interface. The chat history includes a list of prompts for post-incorporation tasks:

- agreement outlining the rights and responsibilities of each shareholder.
- 13. Intellectual Property:
 - Protect your intellectual property, such as trademarks or patents, if applicable to your business.
- 14. Compliance with Regulations:
 - Stay informed about changes in business regulations and tax laws that may affect your business, and ensure ongoing compliance.
- 15. Business Planning:
 - Continuously review and update your business plan to adapt to changing market conditions and growth opportunities.

Below the list, there is a paragraph of text: "It's highly recommended to consult with legal and financial professionals, such as lawyers and accountants, who specialize in corporate matters to ensure you meet all legal and regulatory obligations after incorporating in Ontario. Additionally, the specific requirements for your business may vary depending on your industry and business structure, so seek guidance tailored to your situation."

At the bottom of the chat window, there is a feedback prompt: "Is this conversation helpful so far?" with thumbs up and down icons, and a "Message ChatGPT..." input field.



02

Contracts



Shareholders Agreements



You

Can you prepare a draft shareholders' agreement for my Ontario corporation?

Shareholders' Agreement for [Your Corporation Name] Corporation

Date: [Date]

Parties:

- [Shareholder Name 1], residing at [Shareholder Address 1] ("Shareholder 1").
- [Shareholder Name 2], residing at [Shareholder Address 2] ("Shareholder 2").
- (List all shareholders and their addresses)

Recitals:

WHEREAS, the parties are shareholders of [Your Corporation Name] Corporation (the "Corporation").

WHEREAS, the parties desire to set forth their mutual understanding and agreement concerning the governance and management of the Corporation.

1. Share Ownership:

1.1. The parties confirm their respective shareholdings in the Corporation as follows:

- Shareholder 1: [Number of Shares] common shares.
- Shareholder 2: [Number of Shares] common shares.
- (List each shareholder's share ownership)

2. Board of Directors:

2.1. The board of directors shall consist of [Number] directors, as determined by the shareholders.

2.2. Shareholder 1 shall have the right to nominate [Number] directors, and Shareholder 2 shall have the right to nominate [Number] directors.

3. Decision-Making:

3.1. Major decisions shall require the approval of [Percentage]% of the shareholders. Major decisions include, but are not limited to, changes to the articles of incorporation, mergers, acquisitions, and significant financial commitments.

4. Share Transfer Restrictions:

4.1. Shareholders shall not transfer or sell their shares to third parties without the prior written consent of the other shareholders. In the event of a proposed share transfer, the other shareholders shall have the right of first refusal.

5. Management and Employment:

5.1. Shareholders who are also employed by the Corporation shall have clearly defined roles, responsibilities, and compensation arrangements as outlined in separate employment agreements.

6. Dispute Resolution:

6.1. Any disputes arising under this agreement shall be resolved through mediation or arbitration in accordance with the rules of [Arbitration/Mediation Institution].

7. Confidentiality:

7.1. Shareholders shall maintain the confidentiality of all corporate information and not disclose it to third parties.

10. Entire Agreement:

10.1. This agreement represents the entire understanding and agreement of the parties and supersedes all prior agreements and understandings, whether oral or written.

IN WITNESS WHEREOF, the parties hereto have executed this Shareholders' Agreement as of the date first above written.

[Shareholder Name 1]


[Shareholder Name 2]

[Other Shareholder Names]

Please ensure that you consult with a legal professional to customize and review this shareholders' agreement to meet your specific corporate needs and comply with Ontario's corporate laws.



Commercial Leases

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- Not practical with ChatGPT
 - Normally prepared by landlord
 - Too large and complicated for ChatGPT due to the legal precedents

Service Contracts

Example:

- Wedding Photographer



Service Contracts



You

I am a wedding photographer in Ontario. Can you draft a contract I can send to couples who are looking to hire me?

Wedding Photography Services Contract

[Your Name or Business Name] (hereinafter referred to as the "Photographer") and [Client's Full Name] (hereinafter referred to as the "Client") agree to the following terms and conditions for wedding photography services:

Event Details:

1. **Event Date:** [Date of the wedding]
2. **Event Location:** [Venue name and address]

Photography Services:

1. The Photographer agrees to provide photography services as follows:
 - Coverage of the wedding ceremony and reception.
 - [Specify any additional services, such as engagement sessions, pre-wedding consultations, or other special requests]
2. The Photographer will make reasonable efforts to capture all significant moments; however, no specific moments or shots are guaranteed.

Payment Terms:

1. The total fee for the photography services is [Total Amount], payable as follows:
 - A non-refundable retainer fee of [Retainer Amount] is due upon signing this contract to secure the Photographer's services for the event.
 - The remaining balance of [Balance Amount] is due [Specify Due Date], prior to the event.
2. Payment can be made via [Accepted Payment Methods].

Cancellation and Refunds:

1. In the event of cancellation by the Client, the retainer fee is non-refundable. If the cancellation occurs less than [Specify Cancellation Period] before the event, the Client is responsible for the full balance of the contract.

Photography Rights:

1. The Photographer retains all rights to the photographs, including but not limited to reproduction, distribution, and public display. The Client is granted personal use rights to the photographs.

Delivery of Images:

1. The Photographer will deliver the edited high-resolution images to the Client within [Specify Delivery Timeframe] after the wedding date. The exact number of images may vary but will generally be in the range of [Specify Expected Number].

Model Release:

1. The Client grants the Photographer the right to use the images for promotional purposes, including but not limited to social media, websites, and marketing materials.

Photographer's Responsibilities:

1. The Photographer will make every effort to deliver high-quality images, but cannot be held responsible for factors beyond their control, including but not limited to inclement weather, equipment failure, or guest interference.

Client's Responsibilities:

1. The Client agrees to cooperate with the Photographer and provide any necessary information or assistance to ensure the successful capture of photographs.

Indemnification:

1. The Client agrees to indemnify and hold harmless the Photographer from any liability, damage, or loss incurred as a result of actions or negligence by the Client or event attendees.

Entire Agreement:

1. This contract constitutes the entire agreement between the Photographer and the Client and supersedes any prior agreements or understandings, whether written or oral.

Governing Law:

1. This contract shall be governed by and construed in accordance with the laws of the Province of Ontario.

Signature:

By signing below, the Client acknowledges that they have read, understood, and agreed to the terms and conditions of this contract.

Client's Signature: _____ Date: _____

Photographer's Signature: _____ Date: _____

Please make sure to customize this contract template to your specific business needs and seek legal advice to ensure it complies with Ontario's laws and regulations. Additionally, consider adding any other clauses or terms that are relevant to your photography services and business practices.



Other Contracts and Agreements

- Employment Contracts
- Web developer
- Purchasing or Selling a Business



Share Purchase Agreements

 You

Can you draft a simple share purchase agreement for me for an Ontario purchase and sale transaction?



ChatGPT

Certainly, here's a simplified list of the key sections and content for a share purchase agreement:

SHARE PURCHASE AGREEMENT

Parties:

- Seller:
 - Legal Name
 - Address
- Buyer:
 - Legal Name
 - Address

Recitals:

- Explanation of the transaction.

Agreement:

1. Sale and Purchase of Shares:

- Seller agrees to sell, transfer, and assign to Buyer all of Seller's shares in the Company.
- Purchase Price: Total purchase price and payment terms.

2. Closing:

- Closing Date: Date of the transaction.
- Deliverables:
 - Share certificates.
 - Corporate resolutions and consents.
 - Any necessary documents for share transfer.
- Payment: How and when the purchase price will be paid.

3. Representations and Warranties:

- Seller's Representations:
 - Seller owns the shares.
 - The shares are free of liens or encumbrances.
- Company's Representations:
 - No representations or warranties about the Company's condition.

4. Indemnification:

- Seller's obligation to indemnify and hold Buyer harmless from any claims or losses due to breaches of representations and warranties.

5. Governing Law:

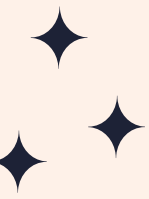
- The agreement is governed by the laws of Ontario.

6. Entire Agreement:

- The agreement is the complete understanding between the Parties.

Execution:


- Signatures of the Seller and Buyer.



03

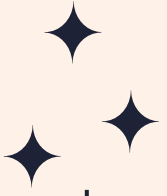
Summary





Lawyers can provide valuable insight, help structure your business, keep your minute book organized, and protect your business.



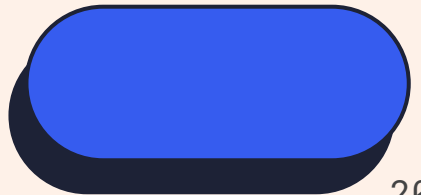
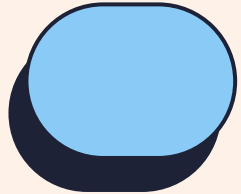


Q &

A!

Anything you want to ask?

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Thank **you!**

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Credits.

OpenAI. (2023). *ChatGPT* (Mar 14 version) [Large language model].
<https://chat.openai.com/chat>

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