



ARI KAPLAN: THE HOT LINE

PLANNING FOR DOT-COM D-DAY CAN EASE PAIN

In the context of the ever-expanding dot-com downfall, I recently heard someone say, "People don't plan to fail, they fail to plan." Well, folks, whether your company planned to fail or failed to plan does not change the color of your impending pink slip. But, if you find your e-commerce startup on the superhighway to oblivion, there are a few things you can do to make the ride less bumpy.

First, as you see capital dwindle, it is a good idea to begin ranking entities to which you owe money, placing providers of mission-critical products and services—such as software vendors and Web hosters—at the top of your list.

And, just for fun, take a look at some of the agreements and licenses you have with them. You might be surprised. For instance, falling behind on your payments might allow your

software vendor to terminate its support services, restrict or prevent your access to any database of information it maintains on your behalf, or revoke your license and demand that you stop using its software. If your license is revoked and you continue to use the program anyway, you could be facing an infringement lawsuit, in addition to your imminent bankruptcy.

After prioritizing your debts, determine who may have an interest in buy-

ing your assets or lending survival financing, should it come to that. If you owe big bucks to a major equipment provider, for example, it could have an interest in getting you additional fund-

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ing or in becoming your partner.

Once you pass the point of no return on the road to dot-com oblivion, one of your key—but often overlooked—assets can be the private information you maintain about your customer base. The only catch is, you might not be able to sell it. Keep in mind that special protections apply to

customer data maintained by financial institutions, companies gathering information from children under 13 and those keeping health care records.

If you intend to transfer your customer data, you may want to first give your customers a chance to opt out.

Remember, whether you are going, going or are al-

ready gone, failure to plan is a sure-fire plan for failure. **e**

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