



AI BIZ GURU – Legal Audit

Sample Input Data

1. Company Overview

- **Company Name:** ElectroTech Distribution
- **Industry:** Consumer Electronics Distribution
- **Headquarters:** Texas, USA
- **Employees:** 180
- **Annual Revenue:** \$25 million
- **Operating Areas:** United States (Retailers and Direct-to-Consumer E-Commerce)

2. Legal Documentation Overview

Document Type	Status	Last Updated	Key Issues Identified
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Articles of Incorporation	Complete	2015	None
Bylaws	Complete	2015	Outdated clauses on remote work
Shareholder Agreements	None (Single-owner company)	N/A	N/A
Board Meeting Minutes	Partial	Last meeting 2022	Gaps in meeting recordkeeping
Employment Contracts	Standardized	2021	No updated remote work clauses
Contractor Agreements	Partial	2020	Missing IP ownership clauses
Vendor/Supplier Contracts	Partial	2021	No dispute resolution clauses
Customer Terms & Conditions	Partial	2020	Limited warranty disclaimers
Privacy Policy	Informal	2020	Not GDPR/CAN-SPAM compliant
IP Registrations	Incomplete	50% Trademarks registered only	
Data Protection Policy	Informal	2021	Weak incident response procedures
Litigation History	Minimal	Last case 2021	Settled small claims (under \$25K)

3. Regulatory Compliance Status

Regulation/Area	Compliance Status	Key Risks Identified
Federal Tax Compliance	Compliant	None
State Tax Compliance	Partial	Exposure in 10+ states
Data Protection (GDPR, CCPA)	Partial	No user opt-out mechanism
Employment Law Compliance (FMLA, ADA)	Compliant	None
Occupational Health & Safety (OSHA)	Compliant	None
Consumer Protection (FTC guidelines)	Partial	Website disclosures incomplete
E-commerce Sales Regulations	Partial	Unclear refund policy language
Export Control Compliance (EAR)	Not Applicable	N/A

4. Pending Legal Risks and Exposures

Issue Area	Description	Severity
Privacy and Data Protection	Exposure to GDPR fines for EU sales	Medium
Contractual Risk	Lack of clear liability clauses in supplier contracts	High
Employment Law Updates	Remote work policies outdated	Medium

Intellectual Property Risk	Some product designs not fully trademarked	Medium
Sales Tax Nexus Exposure	Potential penalties from unregistered states	High

5. Prioritized Legal Audit Goals

Goal	Current Status	Target (12 months)
Update Customer T&Cs and Privacy Policy	Outdated	Fully Compliant
Standardize Supplier/Vendor Agreements	Partial	Full Standardization
Complete Trademark and Copyright Filings	50% Complete	100% Complete
Implement Data Incident Response Plan	Informal	Formalized and Tested Plan
Update Employee Contracts for Remote Work	2019 version active	2025-compliant Contracts
Implement Sales Tax Compliance in All States	Partial	100% Compliance

6. Constraints

- **Legal Budget:** \$60K for 2025 (external counsel + internal updates)
- **Resources:** No internal legal team; uses outsourced counsel
- **International Expansion:** Minimal so far, but plans to grow

- **IT Integration for Legal Compliance:** Minimal current capabilities

7. Systems and Processes in Place

Area	Current System / Process	Comments
Contract Management	Manual (Excel and PDFs)	No CLM system
Compliance Monitoring	Manual by outsourced law firm	Basic compliance tracking
Litigation Tracking	Ad-hoc (email threads)	Needs structured repository
Privacy/Data Handling	Partial (CRM based)	Limited data subject access workflows

8. Additional Context

- Company plans to expand e-commerce internationally in 2025 (Canada and EU focus).
- Considering hiring a Legal Operations Manager if revenue exceeds \$30M.
- Previous small litigation related to warranty claims has been settled.