

Intelligent Diagramming for Modern Law Firms

Bettina Xue-Griffin

The screenshot displays the blueJ TAX software interface. At the top, the 'Workspaces' section shows 'Corporate Formation - § 351(a) Requ...' and 'D1 - Use § 351 as acquisitive tool ...'. The main workspace contains a complex flowchart diagram illustrating a corporate formation process. The diagram is divided into two main steps: Step 1 (Incorporation) and Step 2 (Merger). Step 1 involves the formation of a 'New Co. (The Holding Corporation)' and two 'dummy corporations' (Merger Spcs A and B). Step 2 involves the merger of 'Acquisitive Co. (The Acquiring Corporation)' and 'Target Co. (The Target Corporation)' into the dummy corporations, followed by 'squeeze-out payments' to non-tendering shareholders. The interface includes a top navigation bar with 'Workspaces' and 'Corporate Formation - § 351(a) Requ...', a toolbar with icons for 'CORP', 'PSHIP', 'TRUST', 'IND', 'BRANCH', 'BANK', 'ASSET', 'JUR', and 'TEXT', and a right-hand sidebar with a table of contents and search options.

Section	Type
Overview	Page
§ 351 - Requirements of tax-free incorporation transaction	Statute
D1 - Use § 351 as acquisitive tool - Double Dummy Structure	Diagram
D2 - Use § 351 as acquisitive tool - Up-C Transaction with SPAC	Diagram
§ 83(a)&(b) - Cross reference with stock issued in exchange for personal services - deferred compensation	Statute

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Introduction

Diagramming tax structures, business transactions and org charts is essential for many legal practitioners. It plays a key role in analyzing and problem solving, communicating and working collaboratively with a team of experts, and presenting strategies to clients in the clearest way possible.

However, diagramming has also been a frustrating and inefficient experience. For decades, generic diagramming tools have been used for highly-specialized work by legal teams. As a result, there have been numerous hours of non-billable work, lengthy review and revision processes, and a lack of uniformity in the style of diagrams from one practitioner to the next within the organization.

To drive new levels of efficiency, productivity, and competitiveness, law firms have adopted advanced technology in many areas - practice management, documentation, research, and litigation, to name a few. Diagramming should be no different.

A purpose-built diagramming solution increases efficiency because it reduces non-billable hours spent on diagrams each week; allows practitioners to work collaboratively with ease; and provides uniformity in diagram quality across the firm. Even more important, with the added efficiency, practitioners can reduce the mental load it requires to diagram the important transactions and org structures for each client and file. All of this frees up time for the practitioner to focus on the high-level strategy that clients care most about.

Blue J Diagramming is a purpose-built diagramming solution, designed by lawyers, for law firms. It is the simplest diagramming solution available to law firms today, reducing hours of work to minutes. Practitioners can leverage a user-friendly interface, pre-built Quick Start templates, and specialized tools for legal practitioners to create clear and engaging diagrams with ease. With its seamless collaboration experience, practitioners can also cut down on the number of emails, meetings, and calls complex diagrams may require. Here, we present the 5 key benefits for law firms of adopting an intelligent diagramming solution.

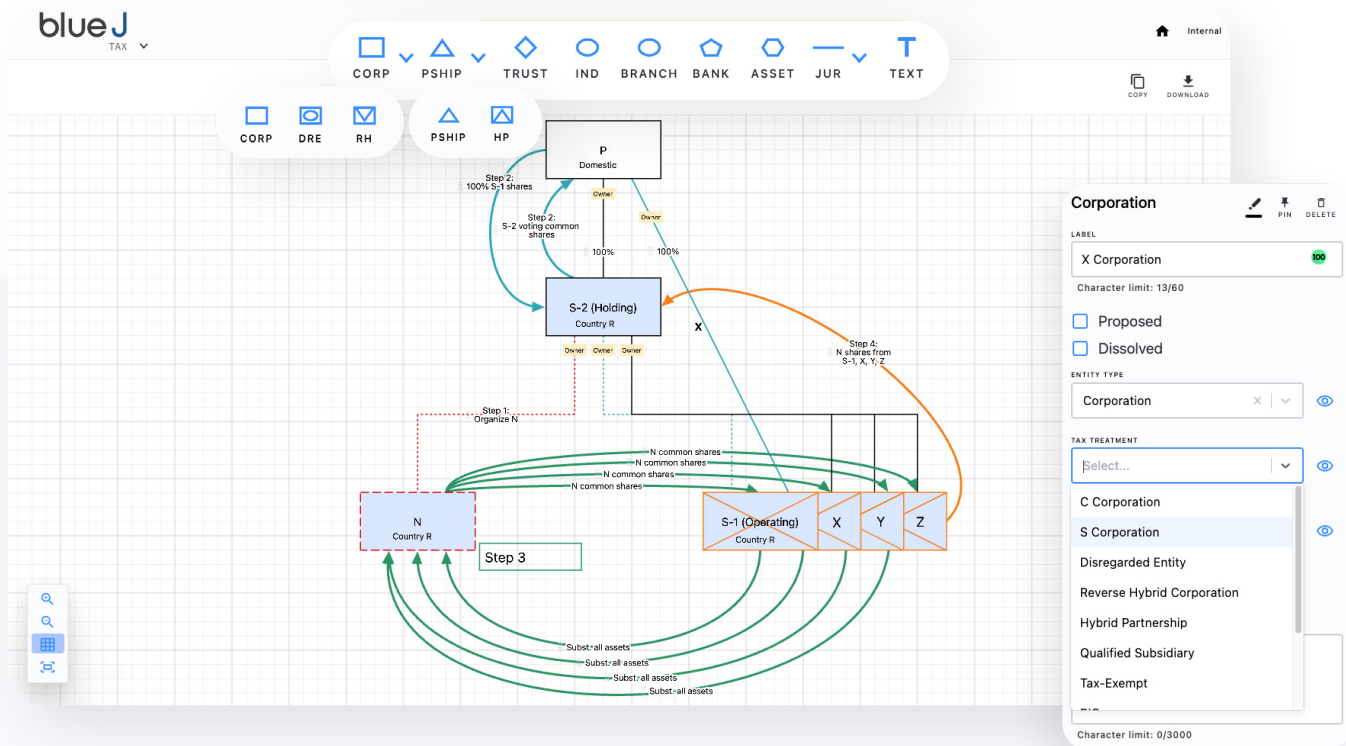
SECTION 1

An intelligent diagramming experience to optimize workflows

When it comes to corporate diagramming, there are widely-accepted conventions for the shapes and labels that should be used. However, generic diagramming tools are so broad that they do not have these shapes and conventions readily available. For example, how should a hybrid partnership be structured or a single member LLC? Practitioners may need to reference past diagrams the firm has built to understand the conventions. At the same time, creating unique entities from scratch is onerous and time-consuming.

With Blue J Diagramming, these conventions are built into the product and ready to drag and drop right onto the canvas. For example, if a partnership is in fact a foreign-hybrid partnership, users select that option in the drop down menu and the appropriate shape for such a partnership automatically appears. For any joining relationships or actions, these are also selected from a set of options that will display the corresponding lines and labels as needed.

The workflow is intuitive and structured, streamlining the entire diagramming process for legal practitioners like never before.



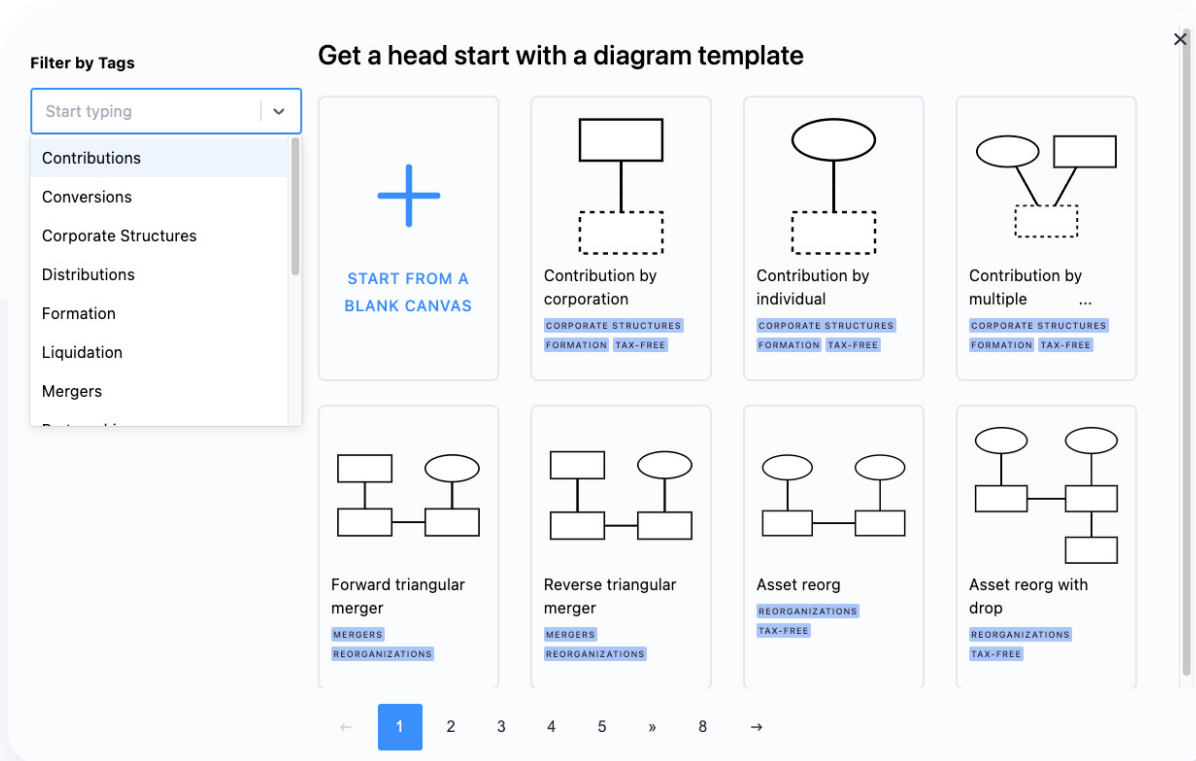
SECTION 2

Driving productivity with pre-built templates

With Blue J Diagramming, the aim is to provide practitioners with exactly what they need to complete their work quickly. To that end, users can get started with Quick Start templates, customizable templates for common structure types with the expected entities and relationships already laid out.

For common transactions, like a corporation issuing shares to a shareholder, practitioners will find an appropriate template to work from. With traditional tools, what would have required a dozen or more steps to visualize a set of structures, relationships, and actions, is now available with a single click. Over 50+ Quick Start templates are ready to customize, and include diagrams of tax structures and org charts involving corporations and partnerships, reorganizations, liquidations, and mergers and acquisitions.

These templates undergo stringent review by our in-house legal experts. These diagrams of corporate structures are pre-built and perfectly-aligned to save you time. For practitioners, that means a reliable starting point for their diagrams, and greatly reduced review times for senior associates. They are also a great way to bring high-quality standardization across the firm on basic structures.



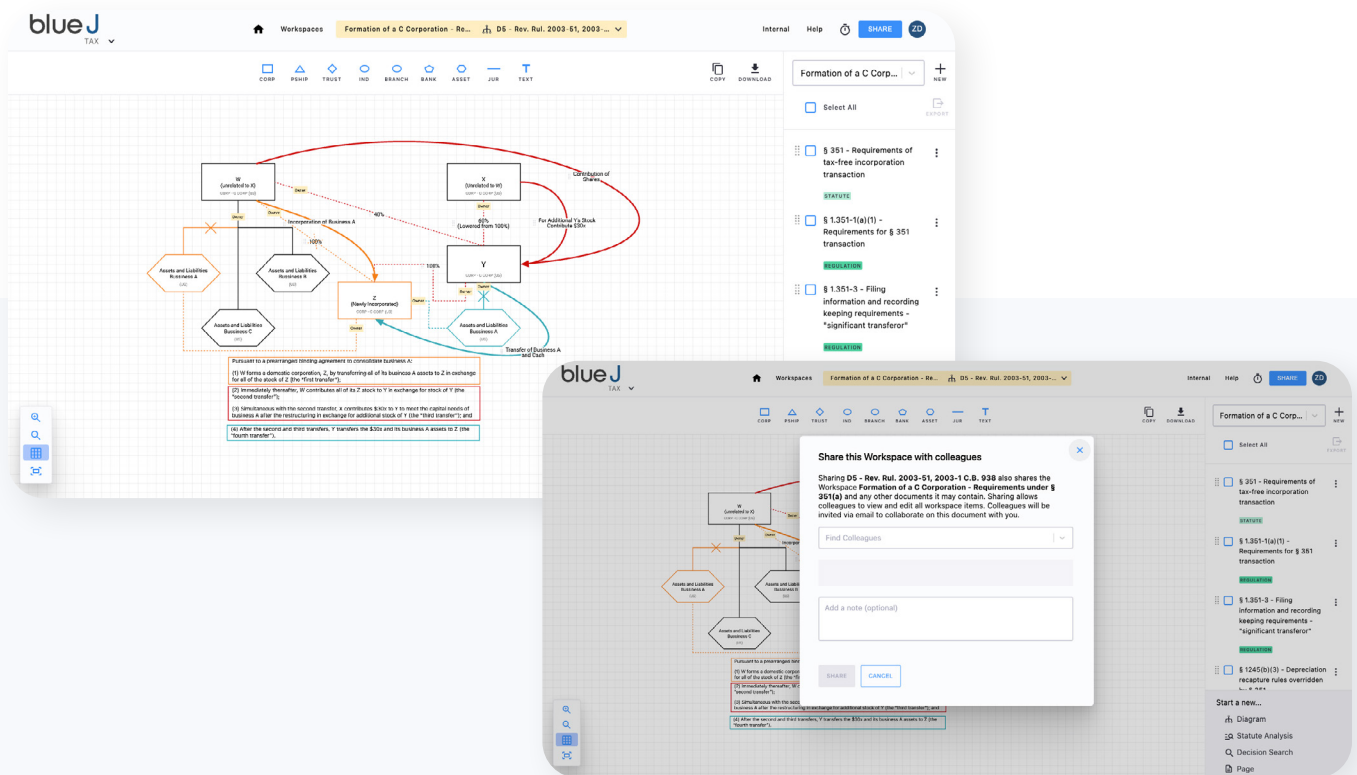
SECTION 3

Real-time collaboration for remote and hybrid teams

When working on diagrams, a challenge for many practitioners is being able to collaborate effectively to finalize client work within a reasonable timeframe. However, a typical collaborative process can involve a lengthy email thread with dozens of questions, suggestions, and diagram versions, all of which can get lost rather quickly. In the past, diagrams were thought out collaboratively in a room with other practitioners on a whiteboard - but today, in a world that is increasingly remote-first or hybrid, that traditional form of collaboration is unlikely to occur.

An effective collaborative process would not require back and forth emails or remote meetings. Instead, practitioners should be able to work together from anywhere, providing input, making changes, and finalizing work in real-time, together.

Blue J Diagramming elevates the collaborative process with its built-in collaboration feature. Diagrams can be shared within the firm, reviewed, and revised by colleagues all within Blue J. Any changes made by a collaborator to a diagram is immediately accessible for the entire team to see.



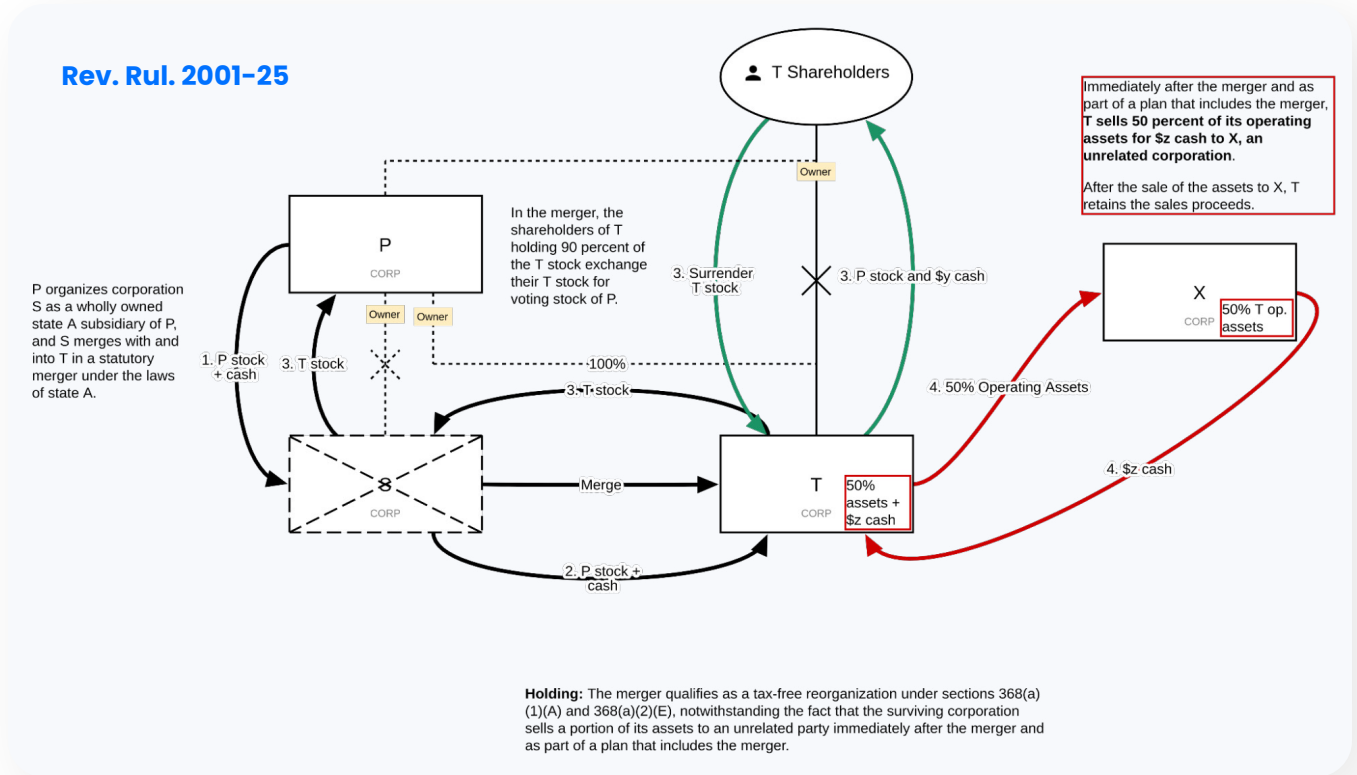
SECTION 4

High-quality diagram designs for the whole firm

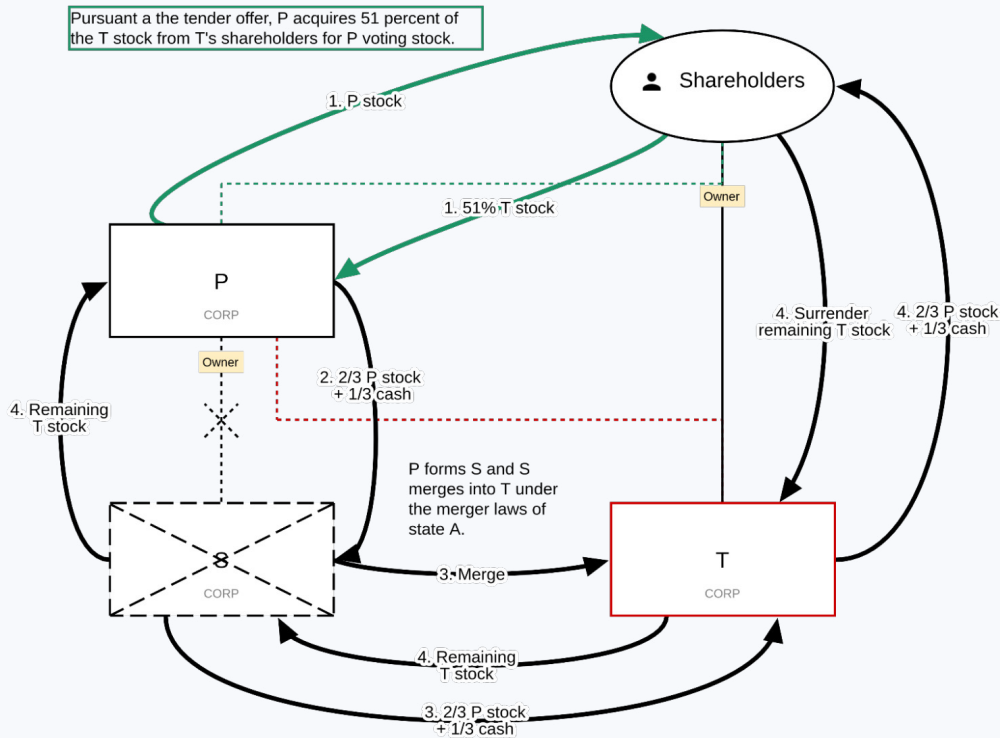
In many instances, the quality of diagrams within a firm can vary. This can be due to the experience-level of individual practitioners with diagramming, some having a better eye for design than others, or simply a matter of individual time and capacity. Practitioners may struggle to create diagrams that are clear and attractive because they do not have the skill or flexibility to do so.

With Blue J, many design optimizations are already taken into consideration. Shapes, labeling, and lines are all pre-set, so rather than drawing them out, resizing each shape, or trying to organize information manually, it is done for you. The option to add different sets of colors is available as well, allowing certain entities or actions to stand out or for client-facing diagrams to be branded.

This enables every practitioner to create professional-looking designs with ease. There is no learning curve for new team members, or seasoned practitioners switching over to a new tool. This ensures greater consistency in diagramming quality across the firm, and every client-facing visualization is clear and engaging with minimal effort.



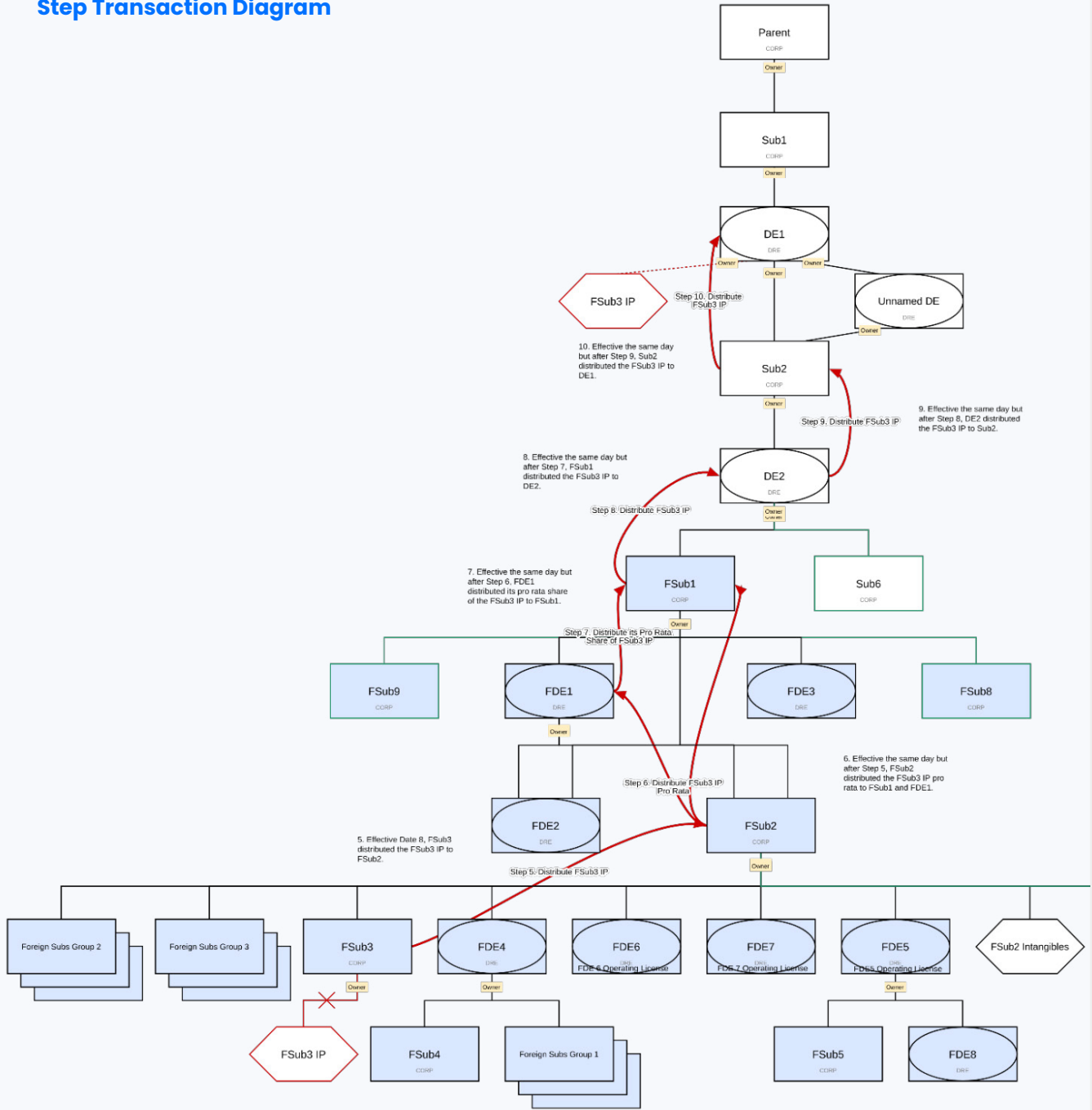
Rev. Rul. 2001-26



In the statutory merger, P's S stock is converted into T stock and each of the T shareholders holding the remaining 49 percent of the outstanding T stock exchanges its shares of T stock for a combination of consideration, two-thirds of which is P voting stock and one-third of which is cash.

Holding: the control- for-voting-stock requirement is satisfied in the Transaction, the Transaction constitutes a tax-free reorganization under sections 368(a)(1)(A) and 368(a)(2)(E), and section 354 or section 356 applies to each exchanging shareholder.

Step Transaction Diagram



SECTION 5

Security that places clients first

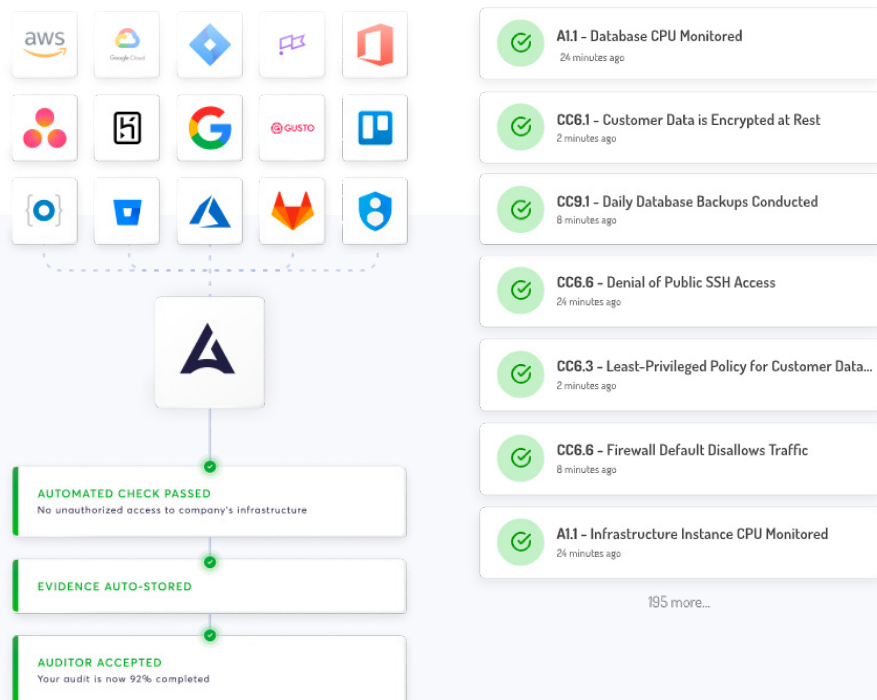
As many tools are cloud-based, and others plan to become cloud-based, data security is paramount. Providers that have received SOC-2 attestation affirms that they are handling customer data securely, in a manner that protects the privacy of its customers.

The Information Security Program at Blue J defines the annually reviewed policies and procedures that guide our daily operations and the security controls that are defined and implemented to ensure compliance with those policies. We work with independent auditors to maintain a SOC 2 report which objectively certifies our controls to ensure the continuous security of our customers' data.

Blue J uses automation to continuously track 100+ security controls across the organization. Automated alerts and evidence collection allow Blue J to confidently prove its security and compliance posture any day of the year, while fostering a security first mindset and culture of compliance across the organization. This includes annual Security Awareness training for all employees.

Security and Trust are fundamental to the services we provide and Blue J employs enterprise-grade best practices to keep your data safe.

Additional details about the Information Security Program at Blue J can be found at www.bluej.com/security.



Conclusion

As law firms explore new ways to drive efficiency, empower their legal teams, retain clients, and maintain a competitive edge, it is difficult to ignore the benefits of adopting new technologies. The hours that entire teams can spend on creating diagrams may have been acceptable years ago, when the only tools available were PowerPoint, Excel, or Visio - none of which were built for lawyers.

With Blue J Diagramming, hours of work are reduced to minutes and the quality of the work is only improved. As a result, delivery times are shorter, the communication between the legal team and the client is clear, and there is less time wasted on non-billable hours of editing Powerpoint images. Further, lawyers are able to focus on higher-value work elsewhere, driving more revenue for the firm.

Growth is not just a matter of winning over new clients, but holding onto existing ones, trimming costly inefficiencies, and staying ahead of the competition. The firms that adopt the right tools quickly are the first to drive growth and exceed client expectations.

To learn more about the value Blue J Diagramming provides to law firms, get in touch with [Blue J](#) today.



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