Kit’s Tips for Students with an F-1 Visa

If the founders are students on an F-1 visa, they should not form a company until they are on OPT or CPT. Legally, they can start and/or own a company, but they can’t work on or for the company.  The F-1 visa is a student visa and allows them in the US only to study. They do not have a valid work status (other than part time at the university) e.g. H-1B, etc.   Rather, I advise them to do all the things they can do legally related to their company so when they get OPT, they are ready to immediately ‘turn the switch’ and start full throttle.

They can legally:

-          Research/discuss what type of company they want to have e.g. LLC, c-Corp etc.

-          Discuss/agree upon founder equity splits, issues re articles of incorporation, bylaws or operating agreements

-          Perform market research

-          Build prototypes/ MVPs and test concepts with potential customers

-          Enter contests

-          Design their marketing and sales plan

-          Line up (but not run) potential pilots as pre-launch

They cannot legally:

-          Begin to sell a product or service

-          Accept revenue or investment (prize money is okay)

-          Sign a contract

-          Hire an employee

They should not or if they do, be very careful on how it is worded (should be more research-oriented)

-          Create a website that looks like a company

-          Advertise that they are starting a company on Facebook or other social media (immigration authorities check for both websites and personal links).

- Include their startup company as part of their CV/resume.

We have three lawyers that specialize in immigration on our Office Hours Expert Section.  They are Larry Liebowitz, John Brendel (both Denton) and Bob Whitehall.  These are the three lawyers that CMU uses for all of our international hires and related issues.  There is also a section in the list of *Lawyers That Specialize in Startups,* on Immigration (last section).  All have been highly vetted and approved by the Pitt Law school and every lawyer in our General Counsel’s office.  Not having the right lawyer is one of the top ten mistakes startups make according to the HBR and our recent panel in our Start Smart Series on Worst mistakes made by startups.  (You can recover from bad marketing advice; but bad legal advice can be VERY expensive or result in a business failure).

In June 2021, we had a special Start Smart seminar on starting a business with an F-1 visa.  It covers all of the various options.  [Here](https://www.cmu.edu/swartz-center-for-entrepreneurship/assets/connects-spring-2020/international-entrepreneur-parole-slides---presentation---seminar-at-cmu-pitt-on-june-22%2C-2021.pdf) is a link to the slides which will give you a lot of information about the various options and what is involved.  I strongly suggest you view it before reaching out to any of the lawyers on the OHE section.  You get ½ hour for free, but if you decide to retain one of them, then you need to pay them. Most of the other lawyers on the list will give you a short free informational interview.  I think it’s a better use of

time/money to have them doing the work of filing the necessary papers rather than having them explain what is in the slides.