

HOW TO FORM
YOUR NEW COMPANY
IN ONLY 7 STEPS

The fast and painless way to start a new company from USA Corporate Services®





Dear New Business Owner,

Welcome to the entrepreneurial world! Starting a new business is an exciting event, and we salute your courage. By requesting this guide from USA Corporate Services®, you have taken your first step toward workplace freedom while protecting your personal assets and building business credibility.

Just so you know, in this guide, when we refer to “incorporating,” we mean the act of creating a new corporation under the laws of a particular state. Some people also use the term “incorporating” to refer to the formation of a Limited Liability Company (LLC).

This guide will walk you through the steps of setting up a new company. There is more information available on our website (www.usa-corporate.com), and many resources for new businesses are available for free at your local public library, the Small Business Administration (www.sba.gov) and at hundreds of colleges and universities throughout the USA.

We promise to make that process as smooth as possible. We've helped thousands of business owners just like you to incorporate or form a new LLC.

You can start with the New LLC and Corporation Order Form located in the back of this guide. Fill it out as you read through each step. Simply fax it to us when complete, or contact us for help. You can also request your business formation online at www.usa-corporate.com or speak with a Business Specialist over the phone for more personalized help.

Let's get started!

Warmest regards,

John P. Gordon
President

PS: If you have any questions or want to speed up the process, call one of our Business Specialists at 800-888-4360, or visit www.usa-corporate.com.

USA Corporate Services Inc. is a service company. It does not provide any legal or accounting advice, and its services are not a substitute for advice from a licensed attorney or accountant.



Attention: Information Required Before Incorporating Your Company

Before setting up your new company, there are some questions that you must answer. Please take a moment to review the checklist below. Setting up a company is fast and easy once these questions have been answered.

- What will the name be?
- What state will the company be formed in?
- What type of entity to use?
- What is the purpose of the company?
- Who will own the company?
- Who will manage the company?
- What additional services will you need to get your business off to a successful start?

On the following pages, you will find a guide that walks you through the seven steps required to set up your new company. The New Corporation / LLC Order Form is located at the end of the guide.

PRIVACY POLICY

Collection of Information: We collect personally identifiable information, like names, postal addresses, email addresses, etc., when voluntarily submitted by our customers. The information you provide is used to fulfill your specific request. This information is only used to fulfill your specific request, unless you give us permission to use it in another manner, for example to add you to one of our mailing lists.

Cookie/Tracking Technology: Our website may use cookie and tracking technology depending on the features offered. Cookie and tracking technology are useful for gathering information such as browser type and operating system, tracking the number of visitors to the Site, and understanding how visitors use the Site. Cookies can also help customize the Site for visitors. Personal information cannot be collected via cookies and other tracking technology; however, if you previously provided personally identifiable information, cookies may be tied to such information. Aggregate cookie and tracking information may be shared with third parties.

Distribution of Information : We may share information with governmental agencies or other companies assisting us in fraud prevention or investigation. We may do so when: (1) permitted or required by law; or, (2) trying to protect against or prevent actual or potential fraud or unauthorized transactions; or, (3) investigating fraud which has already taken place. The information is not provided to these companies for marketing purposes.

Commitment to Data Security: Your personally identifiable information is kept secure. Only authorized employees, agents and contractors (who have agreed to keep information secure and confidential) have access to this information. All emails and newsletters from this site allow you to opt out of further mailings.

Privacy Contact Information: If you have any questions, concerns, or comments about our privacy policy you may contact us using the following information: by e-mail: info -at- usa-corporate.com; by phone: from USA and Canada: (800)888-4360, from outside the USA and Canada: +1-212-239-5050



Step 1: Business Name

Please provide three names in case your first or second choices are taken. Keep in mind that three variations of the same name doesn't really help, so try to make sure the three names really are different. There are millions of corporations and LLCs on file, so finding names that are unique takes a lot of effort. When you submit your application we will check your three choices, and let you know which ones are available (if any). You then have the opportunity to let us know which name you prefer.

How to Select a Name

Naming your new company is a very personal choice, and the founders really need to think hard about what they want the name to be. A name can be changed later, if necessary, but this is an expensive and cumbersome process of filing an amendment, notifying your vendors and customers and changing all your stationery, websites and advertising.

Imagination is a great start to naming your new company. Your company's name cannot be similar to an existing name of the state's register, so be creative and original. There're a lot of names in use now, so more than one name needs to be provided in case your first or second choices are not available. Try brainstorming a list of names, then whittle down the list to 3 to 5 that you like.

The Rules to Name Selection

- Must Haves:
- Cannot be similar to other, already existing names on the register of company names ("similar" means close in spelling and pronunciation)
 - Cannot imply a product or service that is not being offered
 - Cannot be vulgar, offensive or contrary to public policy
 - Depending on the state, cannot have the name of a person who is not connected to the company, except for historical persons
 - Must have a corporate indicator

- Should Haves:
- Memorable but easy to spell
 - A positive element – let other people look at it before you commit, to make sure it doesn't have an unwanted connotation that you didn't think of.
 - An indication of what the company does. This may weaken your trademark application but will let potential customers know who you are and why they should use you.
 - Keep it short. This is difficult, especially if you are including a descriptive word or phrase, but long names are hard to remember.



Corporate Indicator

You may have noticed that virtually all company names end in “Inc.,” “Corp.,” “Ltd.,” or “LLC.” This is because state laws require companies to indicate their incorporated status by adding a corporate indicator. Although the list of indicators changes slightly from state to state, the following list always works:

Corporation	LLC
Inc. (or “Incorporated”)	LLC (or “Limited Liability Company”)
Corp. (or “Corporation”)	
Ltd. (or “Limited”)	

If you do not indicate a corporate indicator at the time of order, we will assume “Inc.” for corporations or “LLC” for limited liability companies.

Suggestions for Creating “Different” Names

Bad List	Good List
ABC Corp.	ABC Restaurant Inc.
ABC Co Ltd.	Alpha B Restaurant Inc.
ABC Company Inc.	ABC Quality Restaurant Inc.
A Bee Sea Inc.	
Reason: Corporate indicators (Inc., Corp., Ltd.) are all equal and interchangeable, so they do not officially distinguish between different companies. Furthermore, “Co.” and “Company” do not count toward making the names different. At the Secretary of State’s office, these names are identical. “A Bee Sea” is phonetically the same as “ABC” so many states will reject this name if “ABC” was already taken.	Reason: Each name is different in content, spelling, and phonetics, so they would be considered separate choices. By adding “Quality” to “ABC Restaurant Inc.” the name has been sufficiently changed to be considered a different choice, even if “ABC Restaurant” is already taken.

EXAMPLE

Your business name must include a corporate indicator. If no indicator is included, we will use “Inc.” for corporations or “LLC” for Limited Liability Companies.

First Choice: _____

Second Choice: _____

Third Choice: _____



Step 2: State to Form Your New LLC or Corporation

A business is not required to form a company in the state where the business is located. This means there are two choices: to incorporate in the home state, or in a different state such as Delaware.

Most new businesses choose to incorporate or form an LLC in the state where they intend to do business. Typically, filing in your home state is the least complicated, especially if you plan to operate your business exclusively in your home state. Also, incorporating or forming a new LLC in your home state helps you avoid paying the additional franchise taxes, annual fees, annual reports and registered agent costs that may be incurred by filing in a different state.

If you think your business may move to another state in the future, or if you plan to get angel investors or venture capital in the future, then it may make sense to spend a little more now, and incorporate in an investor-favorable state like Delaware.

Many companies conduct business throughout the U.S. and abroad. A business that has locations in multiple jurisdictions may form a corporation or LLC in a single state and then “qualify to do business” in other states. This means that company must formally register, file reports, and pay annual fees to conduct business in those states and benefit from the laws of the state. USA Corporate Services can help you to qualify your company to do business in any state, provide the necessary registered agent and other compliance needs and keep you up to date on your requirements to stay in good standing.

Many states need to know the county of the office of the new company as well as the state.

EXAMPLE

The county in the state of doing business in which the office will be located: _____

Option A: Form in the state where you are doing business.

Option B: Form in Delaware, file and authorize to do business in the state you do business.

Your state: _____

Authorize to do business in: _____



Step 3: Type of Company to Form: LLC or Corporation

For the vast majority of new businesses in the United States, there is a choice of two entities:

- Limited Liability Company (LLC)
- Business Corporation

There is no right choice, and many learned business advisors have completely opposite opinions! The better choice is a matter of your business plan, intended business purpose, your tolerance for business formalities and your exit plan.

Comparison of Corporations and LLCs

	Corporations	LLCs
General	Older, more traditional type of company offering limited liability protection to its owners. Corporations have many formalities to follow.	Newer, more flexible type of company offering limited liability protection to its owners and managers. There are few formalities that LLCs must follow.
Tax	Can choose to be a "C" corporation or (if it meets the criteria) elect to become an "S" Corporation with pass-through taxation.	Has pass-through taxation as a sole proprietorship or partnership (if more than one member), or can elect to be treated as a corporation instead
Meetings	Required to hold Annual Meetings of the shareholders and directors	The Members decide how often (if ever) meetings are to be held.
Owners	Owners are called shareholders. Shareholders have no authority in the business	Owners are called Members. Members may or may not have authority in the business, depending on how it is set up
Ownership	Ownership is represented by shares. The number of shares that the corporation is authorized to issue is public information.	Ownership is decided among the Members, and may be represented by Certificates. There is no "authorized capital" or "authorized number of shares." How the Members divide up ownership, and distribute profits and losses, is decided by the Members themselves.
Governance	Are governed by directors and managed day by day through officers appointed by the directors	Are governed by either the Members or Managers, depending on how it is set up



Step 4: Purpose of Your Company

Most states allow the formation of a company with just a general, “all-purpose” clause. After formation, in order to obtain a tax number, apply for permits or licenses, and for many other activities, the purpose of the company must be stated. A corporate description should be very brief but descriptive: “pizza restaurant and delivery,” “own real estate,” and “sales and marketing consulting” are quite sufficient to describe these respective new businesses.

If your company will be practicing medicine, dentistry, architecture, engineering and other professional, you will probably be required to create a Professional Corporation (PC), Professional Limited Liability Company (PLLC), or Professional Limited Liability Partnership (LLP) instead of a regular company. If you are not sure, just contact us at www.usa-corporate.com or call us at 800-888-4360.

EXAMPLE

Please provide a brief description of what the business will do.



Step 5a: Questions for new LLCs only

Should the Members run the company directly, or designate Managers to run things? If the LLC has only one Member, and is unlikely to grow, then there is no need to consider having Managers run the LLC.

When the Members are also the Managers, each Member is allowed to obligate the company without the consent of the others, unless there is something in the Operating Agreement that puts a limit. When the LLC is managed by Managers, the Members are like shareholders of a corporation, and are not authorized to obligate the company. Therefore, if there is a large group of Members, many of whom are just investors, it is better to have Managers to manage the company. Otherwise, there is a substantial risk that a Member could sign contracts on behalf of the LLC without the consent of the remaining Members. The right answer depends on the company and its Members.

The names, addresses and titles of the initial Members and Managers of the LLC are required in many states, as well as to obtain a federal tax number and to complete an operating agreement. Managers and Members do not have to be natural persons (ie, human beings). They can be other LLCs, corporations, trusts, and partnerships, as the situation may be.

EXAMPLE

- Who will manage the LLC?
- One or more Members of the LLC
 - One or more MS^a ŠĚj[®] selected by the Members

Names, titles, and addresses of the initial Members and Managers (use a separate sheet if necessary):



Step 5b: Questions for new Corporations only

The ownership of your new corporation is represented by shares of stock. Par value is an old-fashioned idea about the minimum price for a share. Most of the time, new companies are set up without par value these days, and the directors set the price of the company's stock. At the time of incorporation, the corporation tells the state how many shares it is authorized to issue.

Some states still charge a tax or fees based on the number of shares and par value. For this reason, it is important to know the most for the least in these states, including two of the busiest states: New York and Delaware. Unless there is a compelling reason to have a certain number, the standard stock set up is:

- New York: 200 shares with no par value
- Delaware: 1,500 shares with no par value
- Other states: 1,000 shares with no par value

Visit www.usa-corporate.com for more information on shares and par values for corporations.

At the time of filing, many states need the name and address of at least one director and officer who will manage the affairs of the business. If there are more than three directors please just use an extra page if you are faxing to us. For officers, please also provide a title (president, secretary, treasurer). Directors and officers of a corporation must be human beings.

EXAMPLE

How many shares will the corporation issue?

Standard shares for my state

Please set up the following:

_____ shares with _____ par value

Names, titles, and addresses of the initial officers and directors of the corporation (use a separate sheet if necessary):



Step 6: Addresses

- The legal address is the Principal Place of Business for your new company.
- The registered agent's name and address is the name and street address of someone in the same state as the company. If you would like us to provide this service, just let us know. Not required in New York.
- The mailing address of the company is where the Secretary of State's office should mail any legal notices.
- The billing address is the address on the credit card that you are using to pay for your materials.
- The shipping address is the street address that you would like us to send your materials to. Sorry, but you can't use a post office box for a shipping address.

EXAMPLE

Company Legal Address: Address: _____
State: _____ Zip: _____

Company Mailing Address: Address: _____
State: _____ Zip: _____

Registered Agent Name and Address: Name: _____
Address: _____
State: _____ Zip: _____

Check if using USA Corporate Services as your registered agent

Client Billing Address for this Order: Address: _____
State: _____ Zip: _____

Client Shipping Address for this Order: Address: _____
(if different from billing address) State: _____ Zip: _____



Step 7: Preferred Package and Payment Method

Please select the package and payment method that best serves your needs and budget. Package pricing is listed on the following page. We also offer options that will help you tailor your new company to meet your needs. These services include:

- Employee Identification Number (EIN)
- Obtain a business license
- Registered agent service
- DBA/Fictitious name
- Register your business to do business in other states
- Good standing certificates
- Certified copies of your articles of incorporation

Types of Packages

	Basic	Classic	Standard
Company Name Search	✓	✓	✓
Express Preparation of your Corporate Documents	✓	✓	✓
Filing of your Corporate Documents	✓	✓	✓
E-mail or Fax Notification of Filing	✓	✓	✓
Courier Delivery of your Completed Corporate Documents	✓	✓	✓
EconoKit from CorpKit (includes binder and slipcase, corporate seal, 20 share certificates, share ledger, minutes, and bylaws)		✓	
Completed Organizational Minutes and Bylaws (corporation) or Operating Agreement (LLC)			✓
Notarized Incumbency Certificate			✓
Prepare Share Certificates			✓
Obtain Federal Tax Number			✓

EXAMPLE

Choose your preferred package: Basic Classic Standard

Enter the price for the Package, Company Type, and State you selected: _____

Please choose your payment method: Visa MasterCard American Express Discover
 PayPal Check or Money Order Attached

Card Number: _____ - _____ - _____ - _____ Expiration Date: ____ / ____

Name on Card: _____ Signature: _____



State	Package Pricing					
	Corporation			LLC		
	Standard	Classic	Basic	Standard	Classic	Basic
Alabama	770.00	240.00	190.00	770.00	240.00	180.00
Alaska	560.00	450.00	400.00	560.00	450.00	390.00
Arkansas	565.00	245.00	195.00	565.00	245.00	185.00
Arizona	615.00	295.00	245.00	605.00	285.00	225.00
California	695.00	300.00	250.00	590.00	270.00	210.00
Colorado	570.00	250.00	200.00	570.00	250.00	190.00
Connecticut	670.00	350.00	300.00	690.00	370.00	310.00
D.C.	705.00	385.00	335.00	670.00	350.00	290.00
Delaware	869.00	554.00	504.00	870.00	555.00	495.00
Florida	598.75	278.75	228.75	675.00	325.00	265.00
Georgia	720.00	400.00	350.00	720.00	400.00	340.00
Hawaii	595.00	275.00	225.00	595.00	275.00	215.00
Idaho	540.00	320.00	270.00	570.00	320.00	260.00
Illinois	640.00	450.00	400.00	640.00	900.00	840.00
Indiana	770.00	290.00	240.00	1220.00	290.00	230.00
Iowa	610.00	220.00	170.00	610.00	250.00	190.00
Kansas	610.00	290.00	240.00	705.00	385.00	325.00
Kentucky	570.00	250.00	200.00	560.00	240.00	180.00
Louisiana	610.00	290.00	240.00	625.00	305.00	245.00
Maine	810.00	395.00	345.00	1040.00	425.00	365.00
Maryland	690.00	370.00	320.00	670.00	350.00	290.00
Massachusetts	715.00	490.00	440.00	745.00	720.00	660.00
Michigan	630.00	310.00	260.00	620.00	300.00	240.00
Minnesota	690.00	370.00	320.00	690.00	370.00	310.00
Missouri	578.00	258.00	208.00	625.00	305.00	245.00
Mississippi	570.00	250.00	200.00	570.00	250.00	190.00
Montana	610.00	290.00	240.00	610.00	290.00	230.00
Nebraska	745.00	260.00	210.00	745.00	300.00	240.00
Nevada	620.00	400.00	350.00	655.00	400.00	340.00
New Hampshire	580.00	300.00	250.00	620.00	300.00	240.00
New Jersey	620.00	336.00	286.00	620.00	346.00	286.00
New Mexico	662.00	250.00	200.00	672.00	250.00	190.00
New York	570.00	300.00	250.00	570.00	400.00	340.00
North Carolina	720.00	425.00	375.00	720.00	425.00	365.00
North Dakota	620.00	300.00	250.00	720.00	335.00	275.00
Ohio	745.00	425.00	375.00	745.00	425.00	365.00
Oklahoma	570.00	250.00	200.00	620.00	300.00	240.00
Oregon	570.00	250.00	200.00	570.00	250.00	190.00
Pennsylvania	715.00	395.00	345.00	715.00	395.00	335.00
Rhode Island	750.00	430.00	380.00	670.00	350.00	290.00
South Carolina	655.00	335.00	285.00	630.00	310.00	250.00
South Dakota	720.00	400.00	350.00	720.00	400.00	340.00
Tennessee	620.00	300.00	250.00	820.00	500.00	440.00
Texas	845.00	525.00	475.00	845.00	525.00	465.00
Utah	665.00	345.00	295.00	665.00	345.00	285.00
Vermont	695.00	275.00	225.00	720.00	300.00	240.00
Virginia	595.00	375.00	325.00	620.00	400.00	340.00
Washington	720.00	400.00	350.00	720.00	400.00	340.00
West Virginia	645.00	250.00	200.00	675.00	300.00	240.00
Wisconsin	570.00	325.00	275.00	620.00	355.00	295.00
Wyoming	620.00	300.00	250.00	620.00	300.00	240.00

USA Corporate Services®
New Corporation / LLC Order Form

Full Name: _____

Firm Name: _____ Phone: _____

E-Mail Address: _____ Fax: _____

I would like to receive the free USA Corporate Services newsletter.

1. Business Name

Please indicate your first three business name choices. Your business name must include a corporate indicator. If no indicator is included, we will use "Inc." for corporations or "LLC" for Limited Liability Companies.

First Choice: _____

Second Choice: _____

Third Choice: _____

2. Type of Company

Select the type of Company you are going to form: LLC (Limited Liability Company) Corporation

3. Purpose of Company

Please provide a brief description of what the business will do.

4. State to Form Your New LLC or Corporation

The county in the state of doing business in which the office will be located: _____

Option A: Form in the state where you are doing business.

Option B: Form in Delaware, file and authorize to do business in the state you do business.

Your state: _____

Authorize to do business in: _____

5. Company Management

A) Questions for LLCs Only

Who will manage the LLC?

One or more Members of the LLC

One or more MS[®] ŠĚj[®] selected by the Members

Names, titles, and addresses of the initial Members and Managers (use a separate sheet if necessary):

B) Questions for Corporations Only

How many shares will the corporation issue?

Standard shares for my state

Please set up the following: _____ shares with _____ par value

Names, titles, and addresses of the initial officers and directors of the corporation (use a separate sheet if necessary):

USA Corporate Services®
New Corporation / LLC Order Form

6. Addresses

Company Legal Address: Address: _____
State: _____ Zip: _____

Company Mailing Address: Address: _____
State: _____ Zip: _____

Registered Agent Name and Address: Name: _____
Address: _____
State: _____ Zip: _____
 Check if using USA Corporate Services as your registered agent

Client Billing Address for this Order: Address: _____
State: _____ Zip: _____

Client Shipping Address for this Order: Address: _____
(if different from billing address) State: _____ Zip: _____

7. Package and Payment Method

Choose your preferred package: Basic Classic Standard

Price for the Package, Company Type, and State you selected: _____

- Optional Services: Federal Tax Number \$50
 S Corporation Election: \$95
 Personalized minutes and bylaws/operating agreement: \$125
 Other: _____

Total fee for optional services: _____

Sales tax on corporate kit and delivery for NY & NJ residents only: _____

Total of Package Price, Options, and Sales Tax _____

Please choose your payment method: Visa MasterCard American Express Discover
 PayPal Check or Money Order Attached

Card Number: _____ - _____ - _____ - _____ Expiration Date: ____ / ____

Name on Card: _____ Signature: _____

Authorization

By signing, I confirm that the details provided in this form are accurate and complete.

Name: _____ Date: _____

Signature: _____

**Please fax the completed form to:
212-239-5317**