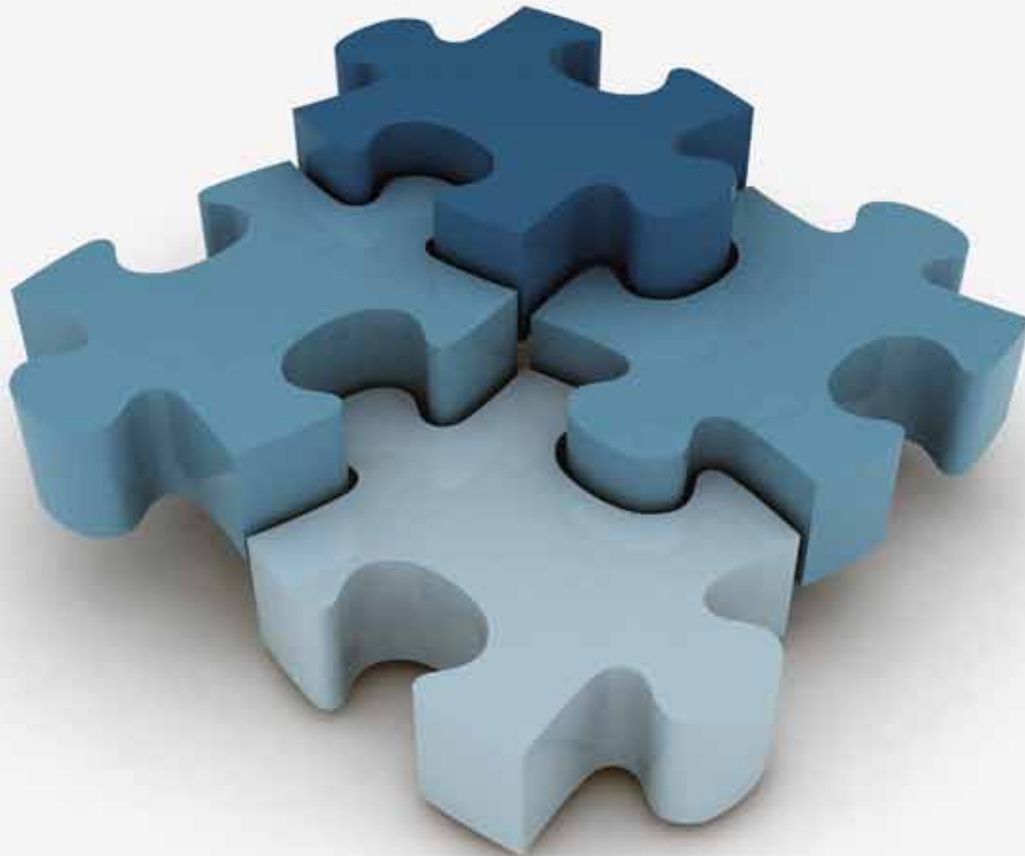


THE
COMPANY
CORPORATION[®]

Incorporating what's right for you.SM



How to Incorporate or Form an LLC in 10 Easy Steps

Let us help you put the pieces together.

Dear Business Owner:

Congratulations! By requesting this guide from The Company Corporation®, you've taken your first step toward protecting your personal assets and building business credibility.

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 help you understand the benefits of incorporating, the differences between corporations and LLCs, and the process for forming your own business.

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

Request your business formation online at www.incorporate.com or speak with a Business Specialist over the phone for more personalized service.

Let's get started.

Sincerely,



David Gilardi
GENERAL MANAGER

P.S. If you have any questions or want to speed up the process, call one of our Business Specialists at 800-209-0128 or visit www.incorporate.com.

The Company Corporation is a service company. It does not provide legal advice, and its services are not a substitute for advice from a licensed attorney.

Protect personal assets.

Realize tax advantages.

Give your business more credibility.

These are just some of the benefits you'll get after you incorporate or form an LLC with The Company Corporation®.

To decide if this is the right move for you, answer these questions:

	Yes	No
1. Do you want to protect your personal assets (your home, car, savings, etc.) from lawsuits against your business??		
2. Does or will your business:		
a. Sell goods or services to the public and/or other businesses?		
b. Bring customers into your office or store?		
c. Have employees?		
d. Take on debt?		
3. Are you entering into a business with family members or friends?		
4. Do you, or will you, have investors or partners?		
5. Would you like the option to raise capital through the sale of stock?		

If you answered "Yes" to any of these questions, you're ready to start the process to incorporate or form an LLC.

Your name is your first connection to your customers.
It's also the first step toward making your dream a reality.

Step 1: Choose a Business Name

Have a piece of paper? Have a pen? If so, great. You'll want to make notes as you read through the steps on the following pages. This will make it fast and easy to start the process toward incorporating or forming an LLC when you call a Business Specialist or visit us online at www.incorporate.com.

How to select a name.

Many businesses select a name that identifies the type of service and products offered or highlights a unique benefit or attribute of their business. For example, a business owner who sells spicy hot dogs might want to name the business "Red Hot Dogs" or "Firedogs." Two more examples of developing names for companies come from John and Jane — who represent small business owners on the path to success.



Meet John ...

"After a few successful investments on the side, I started my own real estate investment company. Forming an LLC helped me keep my family's home and personal assets separate from my investment properties."

In this example, John is the owner of FunHouse Real Estate, LLC. He chose this name because his investment properties are vacation properties ... houses to have fun in.

Meet Jane ...

"I had big plans when I started and needed a way to raise capital, so I formed a corporation. Surprisingly, people took me more seriously when they saw 'INC.' at the end of the name."

Jane, as another example, was one of the first computer experts to set up her own mobile PC repair business. Started in 1992, she now has a crew of six "techs" and two administrative staff. She chose the business name, "IT@home, Inc.," because her staff has the ability to visit customers' houses and diagnose and repair their computers on-site.



Owning a business is more than a state of mind...

That's why you have to decide which state to register in.

Step 2: Select the State Where You Want to Incorporate or Form Your LLC

Lots of businesses start small, but end up big. Many also start in one state, but don't always stay there. So let's figure out which state might be best for you.

Conducting business in your home state?

Most business owners choose to incorporate or form an LLC in the state in which they plan to conduct 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, filing in your home state helps you avoid paying franchise taxes and filing annual reports in multiple states, and, generally, it costs less to incorporate or form an LLC locally.

Conducting business in multiple states?

Many companies conduct business throughout the U.S. and abroad. A business that has locations in multiple states may form a corporation or LLC in a single state and then "qualify to do business" in other states. This means companies must formally register, file annual reports, and pay annual fees to obtain authority to conduct business in those states and benefit from the laws of the state. The Company Corporation can assist you in qualifying your corporation or LLC and keeping track of corporate filing requirements in any state you choose.

Are you located outside the United States?

If you are located outside the United States, please call one of our Business Specialists in the U.S. at 302-636-5430 to form an LLC or incorporate in just 10 minutes.



John ...

"Living in Virginia near the North Carolina border, and with properties in both states, it made the most sense for me to form my LLC in Virginia and qualify to do business in North Carolina."

Jane ...

"There's plenty of business for me in my city alone, so I just formed my corporation in my home state. If the business grows, I'll get The Company Corporation to help me qualify in other states, too."



Just what should your company be... A corporation or an LLC?

Step 3: Decide What Type of Company to Form, an LLC or Corporation

There is no one right answer to the question, "Should I form a corporation or an LLC?" It depends on your needs, your business plan, and many other factors.



John ...

"I wanted to protect my personal assets, of course, but also liked how forming an LLC limited my paperwork."

John, like many sole proprietors, preferred to form an LLC. As an LLC, his business can "pass through" profits and losses from the business to his personal income tax returns. The business profits are taxed as John's income, which enables him to avoid paying income taxes for the business, then paying income tax again on the money he receives from the business. John also preferred to form an LLC because it gave him more flexibility in ownership. He did not have to issue stock and is not required to hold annual meetings.

Jane ...

"With the number of employees I have, it's better for my company to be incorporated. It gives me certain advantages for tax savings on health and retirement benefits that I wouldn't get as a sole proprietor."



By forming a corporation, Jane protects her personal assets. But, she also formed her entity as a corporation in order to give her the ability to raise capital by selling stock in the company.

If you want to form an S-Corporation, Professional Corporation, or Non-Profit Corporation, please call one of our Business Specialists at 800-209-0128 to form your corporation in just 10 minutes. Learn more about the different entity types on our website www.incorporate.com.

Butcher, baker, candlestick maker?

What business are you in exactly?

Step 4: Identify the Purpose of Your Company

We are often asked, "Why do I have to say what my company does?" The simplest answer is, "Because the state says you have to." But, more seriously, it helps states keep track of how many businesses are in what industries and categories. This information is helpful in economic development studies. Some states also use these classifications to issue tax identification numbers.



John ...
*"I just filled in 'Real Estate Investing.'
I figured 'Hey, no reason to over think this,' right?"*

Jane ...
*"It's just like on a survey when they ask for your occupation.
You just give them a very general topic. I put 'computer services'."*



Step 5: For LLCs Only

If you plan to form a corporation, please move ahead to Step 6. Otherwise, indicate who will run your LLC and how long you plan to keep your LLC in business.

Most of our customers choose "Perpetual," meaning they intend to keep their LLC open and operating indefinitely. If you plan to close your LLC on a certain date, you may wish to choose the other option. If at any time you wish to change your selection, we can help you file an amendment.



John ...
"I chose 'Perpetual' in case some day my son wants to keep the business going. I did have a friend, though, who chose a dissolution date because he knew he was going to sell the property he bought after only one year."

How long? How many? How much?

Specific questions for LLCs and corporations.

Step 6: For Corporations (Inc.) Only

If you plan to form an LLC, please skip ahead to Step 7.

If you're forming a corporation, you'll need to determine the number of shares you want to have and their "par" value. Par value is the minimum amount for which a share of stock can be traded or sold, as stated in the Articles of Incorporation that we will create for you. Par value does not represent the share's actual market price or future earnings potential.

You can also choose to authorize stock with "no par value." This means the stock has no fixed price. The directors can determine a price for the stock whenever they decide to sell it. If you still have questions about this topic, please call a Business Specialist at 800-209-0128.

Jane...

"This is one of the things I got stuck on. But authorizing 1,500 shares with no par value gave me the freedom to set a price for raising capital when the time was right."



Step 7: Identify at Least One Key Executive

At the time of filing, the state may require you to list the key executives of the company. Our customers generally pick the individuals who are creating the new company and will be immediately involved in its management. For LLCs, give the name of the person(s) who will run the company. For corporations, give the name of the director(s) of the company.



John ...

"This was one of my proudest moments, when I put down on paper that I was the owner of my own LLC ..."

If John's business grows, and he wishes to make his son or another colleague an owner, The Company Corporation can help him amend his operating agreement to reflect the new owner.

Congratulations!

You're almost done.



Jane ...

"When I started, I was the only director. Soon, I'll be adding two directors, and maybe even more as we continue to grow."

As Jane's company grows, there is added responsibility. So, she is rewarding two of her top employees by making them directors and giving them a greater share in the business. While this may seem like more management for Jane, it's not a drain on her time because she regularly turns to The Company Corporation for help.

Step 8: Write Down Your Address(es)

Provide us with your Shipping, Business, and Legal Address(es).

Step 9: Choose a Package

Choose the business formation package that is right for your needs and budget.

Economy Package (starting at \$79):	Basic Package (starting at \$179):	Complete Package (starting at \$199):
<ul style="list-style-type: none"> • We prepare and file the Articles of Formation for your new company • Expedited filing service, if applicable • Company Name Search and reservation • 6 months of Registered Agent service • Free subscription to our quarterly e-newsletter • \$50,000 Corporate Veil Guarantee™ • 6 months of access to "My Account," an online tool and e-mail alert system to help you manage government and legal requirements 	<p><i>Includes Economy package contents plus:</i></p> <ul style="list-style-type: none"> • 1 full year of Registered Agent service • Expedited Shipping via FedEx (once documents are received back from the state) • Free publications- The Corporate Minutes Book or LLC Handbook • Corporate Kit including: <ul style="list-style-type: none"> • Leatherette Zipper Binder • Digital Media Holder • Business Card Holder • Customer Brass Nameplate on Face • Custom Mark Maker® Embosser • 10 Custom Stock Certificates • Custom Cover Sheets • Set of 12 Tab Dividers • Mylar-Reinforced Ledger Set • 1 full year of access to our exclusive "My Account" service 	<p><i>Includes Basic package content plus:</i></p> <ul style="list-style-type: none"> • TCC priority Handling • Obtain Federal Employee ID Number (EIN) • Application for S-Corp Election Form 2553 (optional) • 3-Book Legal & Tax Reference Library published by Nolo: <ul style="list-style-type: none"> • Legal Forms for Starting & Running a Small Business (w/ 60+ forms & CD-ROM) • Tax Savvy for Small Business (includes 18 forms) • Legal Guide for Starting & Running a Small Business

Incorporate or form an LLC today
to take advantage of our \$50,000 Guarantee*!

Step 10: Choose a Method of Payment

We accept credit cards as well as checks and money orders.

Relax — the Hard Part is Over

Simply complete the order form at www.incorporate.com or call 800-209-0128. We'll do the rest, including preparing your filing documents, reviewing them for accuracy, and then submitting them to the state. The state will then return your official LLC or corporation documents to us. Upon receipt, we will perform a final review for accuracy and then immediately forward them back to you. It's that easy. It's also reliable, accurate, fast, and affordable.

One of the greatest benefits of working with The Company Corporation to manage your business is that we are the only company to provide a \$50,000 Guarantee*. Follow our step-by-step guide after you incorporate, and if your company is sued and you are held personally liable because your corporate veil is pierced, we'll reimburse your company up to \$50,000 in legal fees.

If you have any additional questions, please don't hesitate to call a Business Specialist at 800-209-0128.

**Guarantee details, terms, and conditions are available at our website www.incorporate.com.*

After your business is formed...

After you incorporate or form an LLC, you should also think about ...

Being successful as a business owner means more than simply adding "LLC" or "Inc." to the end of your business name. That's why The Company Corporation works hard every day to incorporate what's right for you into the services we offer. As your business and needs grow, you can turn to us for:

- Employer Identification Number (EIN)
- Obtaining a Business License
- Continuing Registered Agent Service
- DBA/Fictitious Name
- Trademark search
- Registering your business with other states
- Corporate and LLC Amendments
- Operating Agreements
- Bylaws
- Business Credit Assistance
- Compliance Assistance to help you follow state rules and regulations
- Corporate kits and supplies for your existing corporation or LLC
- Certified copies of corporate and LLC documents and certificates including:
 - Certificates of Good Standing
 - Corporate or LLC Amendments
 - Articles of Incorporation or Certificate of LLC Formation
 - Annual Reports
 - Apostilles for Hague Convention countries
 - Cancellation or Dissolution

For more information, or to place an order for the services listed above:

Visit us: www.incorporate.com | Call: 800-209-0128

2711 Centerville Road, Suite 400
Wilmington, DE 19808

TOLL FREE	800-209-0128
PHONE	302-636-5430
FAX	302-636-5454
WEB	www.incorporate.com

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