

California Corporations

1-DAY DOCUMENT ASSISTANCE

Legal Document Preparation
4354 Eileen Street Simi Valley, CA 93063 (Main Office)
(805) 582-6172

A corporation is a statutory creature, created and regulated by state laws. In short, if you want the "privilege" (that's what the courts call it) of turning your business enterprise into a California corporation, you must follow the requirements of the California Corporations Code. What sets the corporation apart from all other types of businesses, and makes it special for legal, practical and tax purposes, is that it is a legal entity separate from any of the people who own, control, manage, or operate it. It is a legal "person" capable of entering into contracts, incurring debts, and paying taxes. It may sue or be sued (Corp. Code, §105), is subject to the attachment laws (Corp. Code §106), and may engage in any activity that the Articles of Incorporation set forth is the purpose of the corporation to engage in. So long as it does business in its own name, a corporation is not required to file a Fictitious Business Name Statement (Bus. & Prof. Code, §17900, subd. (a)(3)).

Important reasons for incorporating are:

(1). To limit the personal liability of the business owners for the debts and liabilities of the business. If a corporation cannot pay its debts or other financial obligations, creditors cannot usually seize or sell the corporate investor's home, car or other personal assets. Be aware that the IRS and the state Franchise Tax Board do not recognize the concept of limited liability in the instance of failure to pay income, payroll or other taxes including sales taxes. They may attempt to recover unpaid taxes from "responsible" employees if they can't collect these taxes from the corporation.

(2). It is one way for business people to put notice others on notice that the business is an established business whose operations are carefully planned and routinely reviewed.

(3). The corporate form often "lends" itself to a number of arrangements for the borrowing of funds for business operations. Lending institutions are familiar with the various types of debt instruments which have been developed through the years to provide corporations with funds and the risk-conscious corporate lender with special preferences.

(4) A corporation's existence begins upon the filing of its Articles of Incorporation in the Office of the Secretary of State. A Corporation continues perpetually, unless otherwise expressly provided by law or its Articles of Incorporation (Corp. Code, §200). In essence, a perpetual existence, despite changeovers in management or ownership.

(5) Taxation is a significant area where a corporation can give the owners of a small or medium-sized business flexibility in decision making and financial planning. By forming a corporation, the owners immediately become eligible to split business income between themselves personally,

and the separate taxable entity, the corporation.

(6) Election of federal S Corporation tax status: Generally, a corporation which elects to become an S corporation has its profits and losses passed through the corporation to its shareholders. This means, with exceptions, that profits and losses are not taxed to, or deducted by, the corporation, but by the individual shareholders in proportion to their stockholdings. The corporation side-steps taxation on its profits and its shareholders (like partners) get the tax benefit of the losses, credits, deductions, etc., of the corporation. Profits of the S corporation pass through to shareholders on a per-share, per-day basis, whether or not such profits are actually distributed to them. Consequently, S corporation tax status can be a very flexible planning tool, providing corporations with the ability to live in two different worlds, enjoying a corporate legal life (including limited liability status for its owners) and partnership tax status.

Our service provides the following:

- Prepare and File the Articles of Incorporation with the Secretary of State.
- Prepare Statement of Domestic Stock Corporation
- Draft Bylaws
- Draft Minutes of First Meeting of Incorporators detailing the following:
 1. Directors elected;
 2. Bylaws adopted;
 3. Accounting period adopted;
 4. Authorization of issuance of stock;
 5. Bank account resolution;
 6. Election of S corporation status;
- Prepare Shareholders Representation letters
- Prepare Notice of Stock Transaction Form to be filed with Department of Corporations
- Prepare Bill of Sale and/or Receipts for shareholders

Other services available:

- Prepare minutes for annual Shareholders meetings.
- Prepare minutes for annual Directors meetings.
- Prepare minutes for special meetings of Directors and/or Shareholders.
- Prepare Waiver of Notice and Consent to Holding Regular Meeting of Board of Directors.
- Prepare Annual Written Consent and Waiver of Shareholders.

1-DAY DOCUMENT ASSISTANCE

(We make it easy!)

Woodland Hills Office
5309 1/2 Commercio Way
Woodland Hills, CA 91367
(818) 884-3601

(Main Office)
4354 Eileen Street Suite 100
Simi Valley, CA 93063
(805) 582-6172
FAX (805) 582-6175

Santa Clarita Office
24827 San Fernando Road
Newhall, CA 91321
(661) 259-6910

INCORPORATION QUESTIONNAIRE

To avoid confusion and delay in processing, please type or print your response

I. ARTICLES OF INCORPORATION:

1. **Name** of corporation: _____
2. **Name** of initial agent for service of process: _____
Address: _____
3. Total **number** of authorized shares: _____
4. **Name** and **address** of each initial director:

5. Principal activity of business? _____
6. Are you forming a California statutory close corporation? **NO**

II. BYLAWS:

1. **Date** and **time** of the annual shareholders' meeting: _____
2. Authorized **number** of Directors: _____
3. **Number** or **Percentage** of Directors for a quorum of the Board: _____

III. MINUTES:

1. WAIVER OF NOTICE FORM
 - a. **Address, date** and **time** of first meeting: _____

2. FIRST PAGE OF MINUTES
 - a. **Name(s)** of Directors present at Meeting: _____

 - b. **Name(s)** of Directors absent: _____
 - c. **Name** of temporary Chairperson: _____
 - d. **Name** of temporary Secretary: _____

3. ARTICLES OF INCORPORATION

DATE filing of the Articles of Incorporation. (If your Articles haven't been filed, leave this line blank.)

4. ELECTION AND SALARIES OF CORPORATE OFFICERS: **Name and annual salary (if any)**

President: _____ \$ _____
Vice President: _____ \$ _____
Secretary: _____ \$ _____
Treasurer: _____ \$ _____

5. ACCOUNTING PERIOD: Accounting period shall end on: _____
6. PRINCIPAL EXECUTIVE OFFICE: The **street address, city and county** where the principal executive office of the corporation is located: _____

7. BANK ACCOUNT
- a. **Name** of bank(s) and **city** of branch office(s): _____

- c. **Number** of people who must sign checks: _____
- b. **Name(s)** of people who may sign checks: _____

8. PAYMENT AND DEDUCTION OF EXPENSES: Do you wish to include this resolution in your minutes?: _____
9. FEDERAL S CORPORATION TAX TREATMENT: Do you wish to include this resolution in your minutes?: _____ (Please provide Name, Address, and Social Security No. for each director of the corporation on an attachment)
10. SECTION 1244 STOCK: Do you wish to include this resolution in your minutes?: _____
11. Date business will begin operation? _____
12. AUTHORIZATION OF ISSUANCE OF SHARES: Show the following information for each of your proposed shareholders:

Name	No. of Shares	Consideration*	Fair Value
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

*(Please keep "Consideration" description brief i.e. Cash [amt.], and/or Service, and/or Equipment or any combination. Refer to an attachment if necessary)

Please review your questionnaire form to be sure you have responded to all of the questions. Any item left blank will also be left blank on your forms.

Send \$385.00 to :

1-Day Document Assistance
4354 Eileen Street
Simi Valley, CA 93063 **(805) 582-6172**
FAX (805) 582-6175

Name and mailing address: _____

Phone number: (_____) _____

Fax number: (_____) _____

1-DAY DOCUMENT ASSISTANCE
LEGAL DOCUMENT PREPARATION
4354 EILEEN ST., SUITE 100
LDA REGISTRATION VENTURA COUNTY #33
SIMI VALLEY, CA 93063 (MAIN OFFICE) (805) 582-6172
WOODLAND HILLS (818) 884-3601 SANTA CLARITA (661) 259-6910
Fax: (805) 582-6175

CELEBRATING
20 YEARS
OF SERVICE

We provide top quality legal typing services at a reasonable price. Our prices are as follows:

INCORPORATION / LLC	\$385.00
CORPORATE / LLC RECORD BK, SEAL, CERTIFICATES & COUNTER FILING..	\$100.00
FILING FEE	\$70.00 (LLC) \$100.00 (Corporation) + \$15.00

***Please note that prices and filing fees are subject to change without notice (01/09).**

The above fees are for typing services only.

1-Day Document Assistance is not a legal firm. We are not attorneys. We can only provide self-help assistance at your specific directions.