

**Entity Formation Checklist**

**Name of Person Filling out This Form:**

\_\_\_\_\_

**How Did You Find Out About This Firm?**

- Referral From \_\_\_\_\_
- Word of Mouth
- Yelp
- Online Search
- Other: \_\_\_\_\_

**Have You Watched Our Online YouTube Video on Whether Your Business Needs to be in an Entity?**  
[http://www.youtube.com/watch?v=cnNH\\_0HHqbM](http://www.youtube.com/watch?v=cnNH_0HHqbM)

- Yes
- No



**Have You Watched Our Online YouTube Video on Whether Your Business Should be in an LLC?**  
<http://www.youtube.com/watch?v=sp63o89nEw8>

- Yes
- No



**Entity Type You Want/Are Considering:**

- Corporation (same as C Corporation)
- S Corporation
- Professional Corporation
- Limited Liability Company
- Limited Partnership
- Limited Liability Partnership
- General Partnership
- Other, describe: \_\_\_\_\_  
\_\_\_\_\_

**What state are you proposing registering your entity in?**

- California
- Delaware
- Nevada
- Other: \_\_\_\_\_

**Proposed Names for the Entity (If it's an LLC, it *must* have "LLC" or "Limited Liability Company" attached to it; if it's a corporation in California, it can have "Inc." or "Incorporated", etc., but does not have to. If it's a professional corporation, you should check your governing agency's website to see if it has name requirements. In any event, the name is not required to have a comma in it. For example "123 Main Street LLC" is acceptable and usually preferred.)** List the names in order of preference.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Will the Entity do business in a trade name that is different from the Entity name? (For example, if the business is an LLC, and ends in "LLC", will you be dropping the "LLC" in your day-to-day business use, or using an entirely different name?)**

- Yes
- No
- To be discussed

**Is this a new business?**

- Yes
- No
- To be discussed

**If you checked “No”, then is this business being started with assets from another company, or a company you co-owned with someone else?**

- Yes, assets are from another company
- Yes, assets are from a company I owned with someone else
- No
- To be discussed

**If this is a preexisting business, or you are transferring assets/client lists from a preexisting business (or businesses) to put into this new entity, please provide a list of the assets, along with their current fair market value. Include a list of liabilities as well.**

---

---

---

**For your new business, please describe the cash and assets you will be contributing, or lending, to the new business. Typical fund sources are capital contributions or loans. Please double check with your accountant/tax advisor to determine what makes sense for you in your situation.**

- CAPITAL CONTRIBUTION: The incorporator(s)/founder(s) is/are contributing the following cash and assets to the business as our/their initial investment (list the individual and describe the nature of the contribution):

---

---

---

- LOAN: Cash is being loaned to the business which will be paid back over time.
  - The loan is being made by:
    - Me \_\_\_\_ (check if applicable)
    - Someone else: \_\_\_\_\_

**Do you expect to take on additional partners or investors following your formation? Please describe:**

---

---

---

**Describe the principal activity of the business:**

---

---

**Does the activity of the business require a professional license or trade certification? In California, this generally means a license issue pursuant to a section in the California Business and Professions Code. If so, please describe.**

---

**What do you expect the annual gross revenue to be over the next few years, per year?**

---

**If the activity involves real estate, please describe in detail the real estate activities and the type(s) of real estate that may be involved. For example, your entity . . . :**

- Rents or leases property that it owns.
  - Uses capital to build property.
  - Sells property for others.
  - Manage real estate for others.
  - Will buy, improve, and sell real estate (aka "flip")
  - Construction
    - Focus on a single construction trade (please specify)? \_\_\_\_\_
    - New Residential properties? \_\_\_\_\_
    - Remodeling? \_\_\_\_\_
    - Commercial? Please specify type: \_\_\_\_\_
    - Construct other types of structures: \_\_\_\_\_
  - Other - please specify:
- 

**If you buy or sell real estate for others, which license do you have (California)?**

- Salesperson
- Broker

**Will the sales of your goods or services be . . . ?**

- Brick and Mortar/Face-to-Face
- Online
- Both
- Wholesale
- Direct Sales
- Auction House
- Retail
- Other/To be discussed

If wholesale, do you own or take title to the goods that you sell?

- Yes
- No

**Street Address of Principal Executive Office of the Business**

**(Cannot be a PO Box, but can be a private mailing service, like UPS Store or Mailboxes Etc.):**

(Note: this address will be public record, we recommend that you do not use your home address)

---

---

**California Office Where Business Records Are Maintained**

**(Cannot be a PO Box, but can be a private mailing service, like UPS Store or Mailboxes Etc.):**

(Note: this address will be public record, we recommend that you do not use your home address)

---

---

**Mailing Address for the Business**

**(Can Be a PO Box):**

(Note: this address will be a public record, so may not want to use if this is a home address)

---

---

**Fax Number for Business (or principal):** \_\_\_\_\_

**Phone Number for the Business (or principal):** \_\_\_\_\_

**Your Business Email Address (not currently a public record:** \_\_\_\_\_

**Personal Email Address (if you want to use that instead – not a public record):**

---

**At the end of our engagement, we will send you your Corporate/Company Records Book containing your business's official records. Would you like this sent to the business's mailing address above or to some other address (please specify if a different address)?:**

---

**Is this address business or residential?** \_\_\_\_\_

**It's okay for this to be delivered no signature required:**

- Yes
- No



**Owners/percentage owned by each member/partner/shareholder/owner:**

- \_\_\_\_\_ / \_\_\_\_\_ %
- \_\_\_\_\_
- \_\_\_\_\_ / \_\_\_\_\_ %
- \_\_\_\_\_
- \_\_\_\_\_ / \_\_\_\_\_ %

**Will ownership of the business be by a married couple or registered domestic partnership?**

- Yes, married couple
- Yes, registered domestic partnership
- Unmarried individual(s)
- Combination of married couples (or RDPs) and unmarried individuals

**For LLCs: If you are married under applicable state law, you may choose to have your LLC be taxed as a single-member LLC (where spouses are treated as one person for tax purposes) or as a partnership (spouses treated as two people). Usually, especially in California under community property laws, married couples choose to be taxed as a single-member LLC.**

**For LLCs: You may also choose to form your entity as an LLC, and then have it be taxed as an S Corporation. Some tax advisors advise against this, and I recommend that you seek independent counsel in this regard.**

- Taxed as a single-member LLC.
- Taxed as a partnership.
- Taxed as an S Corporation.

**Please describe how shares/interests will be held (e.g., individually, in a trust, by another entity):**

---

---

**If owners will hold shares/interests in Trust, or in an Entity, please provide the name of the Trust or the Entity. (For example, if it's a Trust, then your answer should look something like this: John Doe, Trust, the John Doe Revocable Living Trust Dated January 1, 2019):** \_\_\_\_\_

---

**If any individual is married, please indicate whether shares are being held as separate or community property. In either event, please provide name of spouse. If no one is married, you can skip to the next page.**

---

---

**For each *married* owner, indicate:**

- Yes, my ownership is community property with my spouse.
- No, my ownership is my separate property.
- Yes, my ownership is community property with my spouse.
- No, my ownership is my separate property.
- Yes, my ownership is community property with my spouse.
- No, my ownership is my separate property.

## Delaware Entities

### Do you want your entity to be formed in Delaware?

- Yes
- No
- To be discussed

### If filing in Delaware:

Will you have employees or independent contractors in Delaware?

- Yes
- No
- To be discussed

Have you already chosen an agent for service of process in Delaware? We cannot provide that service for you in Delaware.

- Yes, have chosen.
  - If chosen, please provide name and street address: \_\_\_\_\_
- No, have not.
- To be discussed
- Need a referral to one

**S-Corp Election:**

- Yes
- No
- To be discussed

**If electing S Corporation status, please provide the SSNs for all shareholders, including their spouses if the shares are community property:**

---

---

---

**What is the exact name and address each individual taxpayer uses for his/her *personal* tax filing address:**

---

---

---

**Please describe any voting preferences (i.e., will any person in the entity be entitled to vote, or will anyone's vote be restricted in some way):** \_\_\_\_\_

---

**Number of employees expected in the next 12 months, indicate part time or full time, and the dates that such employees are expected to start (approximate ok):**

---

---

**Entity Governance**

**If you are forming a CORPORATION:**

Directors: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Officers (CEO/President, CFO, and Secretary are required for corporation; officers of any position are optional for LLC) – If you only indicate CEO, we’ll provide for the CEO to hold all officer positions unless you indicate otherwise:**

CEO: \_\_\_\_\_

President: \_\_\_\_\_

CFO: \_\_\_\_\_

Secretary: \_\_\_\_\_

VP (optional): \_\_\_\_\_

Other: \_\_\_\_\_

**If you are forming an LLC:**

**Manager(s) if LLC (Note, this is a critical decision, though it can always be changed later. If you expect at any time you may be bringing on investors or employees as owners, then we advise you *not* to check “All Members Manage”. “One Manager” is simplest. “More than One Manager” may be appropriate in your circumstances. Certain licensing agencies require licensed individuals to be managers – please research first before choosing.):**

One Manager (name): \_\_\_\_\_

More than One Manager (names): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

All the Members will Manage (typically not recommended)

**Proposed Agent for service of process:**

- David Herzog Legal (no charge)
- Other: \_\_\_\_\_  
\_\_\_\_\_

**Accounting year:**

- Calendar
- Fiscal: \_\_\_\_\_

**Signature Authority**

Who will have signature authority to withdraw funds or write checks from the company's bank account(s)?

\_\_\_\_\_  
\_\_\_\_\_

**Accountant for the Business:**

**(include name, address, phone number, email)**

***We will not contact your accountant without your consent.***

\_\_\_\_\_  
\_\_\_\_\_

If you don't have one, please let me know if you need a referral to an accounting professional.

## **Operating Agreements, Partnership Agreements, Buy-Sell Agreements**

Operating Agreements are for LLCs; Partnership Agreements are for partnerships; Buy-Sell Agreements are for Corporations. The flat fee for the entity formation does not include drafting any of these agreements, since those documents can be extensive and complex. However, having one for your entity can be critical to allow for the smooth operation and transition (planned or not) of your partnership or corporation as time moves forward and situations change. That said, you are not required to have a written agreement by law. If you do not have one, state law will generally apply, unless your actions (performance) dictate otherwise.

### **Operating Agreements (LLCs), Specifically**

Though not required in writing, some banks do require you to provide them with a written operating agreement if you have formed an LLC, sometimes even where it's a single-member LLC. If you are required to have that, or would like me to prepare a simple operating agreement which will define owner percentages and a few restrictions on manager actions, one can be provided for a flat fee, as described in the Rate Sheet.

**Do you want us to prepare a simple Operating Agreement (LLC) you can use to open your bank account (if required by the bank)?**

- Yes
- No
- Need to discuss



**For LLPs in California:**

**Do you plan on forming your entity as an LLP?**

- Yes
- No
- Need to discuss

**If yes, please check one of the following activities in which the LLP is going to be engaged:**

- Architecture
- Engineering
- Land Surveying
- Law
- Public Accountancy

**For LLPs for the practice of law in California:**

**Do you want us to also prepare and file your State Bar Certification?**

- Yes
- No
- Need to discuss

**Please confirm that you have read and understand Corporations Code Section 16956.**

- Yes
- No
- Need to discuss

**Also, please be aware that the limitation of liability is not effective until the application to the State Bar has been approved, which may take weeks. The effective date, though, if approved, will be retroactive to the date of submission. The application cannot be submitted until the LLP-1 formation form has been filed with the Secretary of State, and the SOS has returned a certified copy of the LLP-1 so that it can be attached to the filing. There are also annual reporting requirements and fees for filings.**

**Do you want us to process your Tax ID# (Federal EIN) Application:**

- Yes
- No

**If yes, I will need the Social Security Number and the exact name used for the Tax ID Number (Federal EIN) Applicant. This is usually the principal/founder/owner:**

---

**Please be sure that the name associated with the social security number is the same name used for filing that individual's tax returns. Also, please be aware that the IRS no longer provides assistance or Tax ID #'s by phone, so a delay could occur with respect to obtaining the Tax ID Number.**

**Have you (or someone on your behalf) used your Social Security Number before to file for a Tax ID # for any other business?**

- Yes
- No

**Will another entity (typically a parent company) be applying for the Tax ID #?**

- Yes
- No

**If you answered yes, was the Tax ID # for the responsible applicant obtained using the IRS's online service?**

- Yes
- No
- Don't Remember

**Turnaround For Filing**

Some filings with the Secretary of State take several weeks, and we cannot account for furloughs or state budget crises which delay corporate filings in California. You will need your initial filing to open a bank account or to open payroll services. Even if you submit for a delayed filing (see below), you will not get your document back right away; if you want it back rushed, whether for a regular filing or a delayed filing, you'll need a rush. For an additional cost (usually around \$600), the Secretary of State will turn your formation in 24 hours. Do you want your formation turned around in 24 hours for this additional cost?

- Yes
- No

**Delayed Filing**

If you are filing your entity toward the end of a calendar year, you may want to submit your formation paperwork now for a formation date effective as of the first of the following calendar year. This may help in postponing certain taxes and fees. Some clients also prefer to have a start date that covers an entire calendar year to avoid having two tax returns for the same business in one year. If you delay the filing, this does not affect the rush service. If you delay, the time it takes to file your document is the same, and starts from the effective date of the filing, not the date of submittal.

Do you want to delay your filing until January 1<sup>st</sup> of next year?

- Yes
- No