



**PARCORP**  
SERVICES LLC  
On-Line Incorporating Services



## *Incorporating Today's Small Businesses*



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### *Our Service*

Parcorp Services offers complete and affordable formation services to small businesses and professional throughout the United States. Simply fill in the order form attached to this brochure and fax or mail it in. Or you can visit us on the web at [www.parcorpsvcs.com](http://www.parcorpsvcs.com) and submit your information using our on-line order form.

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### *Our Prices*

Our pricing is simple. We will form your corporation or limited liability company, in any state, for \$45 plus the required State fee. Our goal is to provide better services at lower costs.

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### *Our Guarantee*

Parcorp Services guarantees that our service fees are the lowest that you will find. In fact, if you do find a lower service fee anywhere we will beat it. We invite you to compare because we stand behind our low price Guarantee.

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**TEL: 800.603.2533**

Call and speak to one of our Representatives  
OR  
Visit us on the Web at [www.Welncorporate.com](http://www.Welncorporate.com)

# Corporations

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## Benefits of Forming A Corporation

All legal and tax professionals agree, if your business is not incorporated you may be throwing away thousands of dollars in tax savings and deductions. In addition, all of your personal assets such as your home, cars, boats, savings and investments are at risk and could be used to satisfy any law suits, debt or liability incurred by the business. Forming a Corporation can provide the protection and tax savings needed to give you peace of mind and make your business even more successful and profitable.

### Some of the Benefits include:

**Liability Protection:** Properly forming and maintaining a corporation will provide personal liability protection to the owners or shareholders of the corporation for any debt or liability incurred by the business. Personal liability of the shareholders is normally limited to the amount of money invested in the corporation.

**Tax Advantages:** Another important benefit is that a corporation can be structured many ways to provide substantial tax savings. You can minimize self-employment taxes and increase the number of allowable deductions lowering the taxes you pay on the income of the business. Many corporations structure retirement and tax deferred savings plans for their owners and employees which can provide even greater tax savings.

**Raising Capital:** Sale of stock for the purposes of raising capital is often more attractive to investors than other forms of equity sales. A corporation can also issue Corporate Bonds to raise capital for expenditures without compromising the ownership of the business.

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## Types of Corporations

When deciding on exactly which type of entity to form it is necessary to consider short and long term goals of the business, the nature of the business and the benefits associated with each type of entity. We do suggest that the selection of a business entity be done with the assistance of a professional, such as your tax or legal advisor, as they may be more familiar with your specific needs. For more information select one of the following types of corporations.

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### General Corporations ("C" Corporations)

The "C" Corporation is still the most common form of ownership. It is a separate and legal entity that offers the greatest flexibility with respect to ownership and the free transferability of ownership interest. Although a "C" Corporation allows for many advantageous tax deductions and benefits, small business owners may be at a disadvantage due to the double taxation associated with a "C" Corporation. Income is first taxed at the corporate level at corporate tax rates. Then when the corporation issues dividends to its shareholders, the same money is taxed again at the shareholder level. The result is that the same income generated by the corporation is being taxed twice. Still, the popularity of the "C" Corporation is largely due to its overall recognition and acceptance in our society.

**Advantages:** Limited liability protection, unlimited life, easy to raise capital, complete flexibility of ownership, may have various classes of stock, free transferability of ownership and tax benefits allowing for certain health and life insurance deductions.

**Disadvantages:** Governmental regulations, double taxation, must maintain corporate formalities such as annual meeting and other resolutions.

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### Subchapter S Corporations (S Corporations)

A Subchapter S Corporation or "S" Corporation is similar to the "C" Corporation and operates primarily in the same manner. The main advantage associated with the "S" Corporation is that the income passes through to the shareholders, thus avoiding the double taxation of a "C" Corporation. However, the corporation must meet certain requirements to qualify for the "S" status under the current IRS rules. It also loses some of the tax deductions allowed to "C" Corporations.

**Advantages:** Limited liability protection, avoids "double taxation" and has an unlimited life.

**Disadvantages:** No more than 75 shareholders, limited ownership (Individuals, estates and certain trusts), limited to one class of stock, some tax deductions are lost as compared to "C" Corporation, subject to governmental regulations, must maintain corporate formalities such as annual meetings and other resolutions.

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# Limited Liability Companies

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## What is a Limited Liability Company

The limited liability company or LLC is a popular new form of business entity that combines the limited liability protection of a corporation with the simplicity and tax advantages of a partnership. It is a viable and practical alternative to forming your company as a traditional corporation. While state laws and federal regulations governing how LLC's will be taxed are still evolving, recent developments have proved to be extremely favorable to small businesses. Most states have made it easier to form LLC's and recent federal tax regulation changes have given LLC's increased flexibility.

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## Benefits of a Limited Liability Company

**Limited Liability:** Similar to a corporation, all of the members (owners of an LLC are called members) of an LLC enjoy limited personal liability. Generally owners are not exposed to legal liability for the debts of the business, you only risk your share of the investment in the business.

**Tax Flexibility:** An LLC with two or more members can choose how it wishes to be taxed. It can have the pass-through taxation of partnership or elect to be taxed as a corporation. Most LLC's will choose to have pass-through taxation in order to have the profit or losses of the business pass-through to the tax returns of it's individual members. Electing pass-through taxation avoids the possibility of the double taxation associated with traditional corporations.

For LLC's with only one member you can elect to be taxed as a sole proprietorship or a corporation. Most single member LLC's will elect to be taxed as a sole proprietorship to avoid double taxation. Profits and losses from the LLC will be reported on your individual tax return.

**Flexible Management Structure:** An LLC can be managed by it's members or it can designate a manager or managers who will run the LLC. It is common for the members of an LLC to be closely involved in the running of the day to day affairs of the business, this is referred to as a member managed LLC. Generally an LLC with only a few members will be member managed. If an LLC chooses to be run by a manger or managers it is referred to as a manager managed LLC. A member of the LLC can also act as a manager or a group of members can act as Managers.

**Flexible Distribution of Profits and Losses:** Members of an LLC can distribute profits and losses any way they choose. You do not have to divide up the profits and losses according to the assets contributed by each member.

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## Possible Disadvantages of an LLC

The LLC is a relatively new entity and rules and regulations regarding it's operation and tax regulations are still evolving. In some cases the state regulations need catch up with current IRS rules. In 1997 the IRS Check the Box regulations made it easier for an entity to elect how it would like to be taxed. As a result many previous requirements for LLC's became obsolete. Some states have yet to adopt these new rules.

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## What is an Operating Agreement?

An Operating Agreement is an agreement made between the members of the LLC as to how the business will be conducted. Operating Agreements are not part of the public record and do not need to be filed with state offices. This document is similar to the minutes and bylaws of a corporation and should contain provisions that address issues such as contributions, type and manner of distributions, allocations of profits and losses and other important operational matters. Our LLC Kit contains documents that can simplify and assist with this process.

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## How does an LLC compare with a Sub S Corporation?

An LLC's flexibility and ease of operation make it very favorable to small businesses. An S-Corp, while having similar pass-through taxation benefits, does not allow for flexible distribution of profits or losses. Further, S-Corps must maintain statutory corporate formalities.

An LLC can have multiple owners, without restrictions on type or classification, and may offer several different classes of ownership interest. An S-Corp is restricted to 75 shareholders, with restrictions on type and classification, and can offer only one class of stock.

While the LLC and S-Corp both provide limited liability protection and similar pass-through tax advantages, the LLC has far less restrictions or formalities it must adhere to. We urge anyone who may need more guidance in choosing which entity is best suited for their business to consult their tax or legal advisor.

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# Registered Agent Services

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## What is a Registered Agent?

Most states require that an agent be registered with the state at the time of incorporation. The purpose of the Registered Agent is to receive governmental and legal correspondence, including your annual report, any delinquency notices and many other documents that your company may be required to respond to. The agent must have a physical address within the state of incorporation and be of legal age. An officer, director, employee or even a shareholder may act as the registered agent if they meet the state requirements. The registered agent may also be served legal summonses in a lawsuit. Parcorp Services offers registered agent services in all states at affordable annual rates.

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## Why do I need a Registered Agent?

Most states require that corporations and LLC's designate an individual or professional corporation as Registered Agent. The state will make the agents name and address known to the general public in the event that someone should need to contact your company.

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## What is included in the Registered Agent Services?

**Parcorp Services provides the following services in all 50 states:**

- Official Registered Agent address for your company
- Free forwarding of all official correspondence
- Acceptance of Service of Process on behalf of your company
- Unlimited changes to forwarding address of the business
- Provide administrative assistance in the state of incorporation
- Assistance with other State Qualifications

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## Can I Act as my own Registered Agent?

Yes, you or any other individual who meets the state requirements and who agrees to act as agent for the company may serve as Registered Agent. However, keep in mind that the Registered Agent's name and address are made part of the public record. It may be advantageous to use a professional registered agent service if your business is a home based or retail business.

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## How much does it cost?

Registered Agent fees are \$140 per year and payable in advance. You may cancel registered agent services at any-time as long as you provide proof that another agent has been named in the state of incorporation. Remember, in order for your business to maintain good standing status it must also maintain a Registered Agent.

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TEL: 800.603.2533

Questions?

Call and speak to one of our Representatives

OR

Visit us on the Web at [www.Welncorporate.com](http://www.Welncorporate.com)

# Frequently Asked Questions

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## **Should I incorporate my business?**

The most important reason to incorporate is that it limits your personal liability. For this reason it is considered an essential element to starting a new business. In today's business environment it makes sense to protect your personal assets from those who may wish to bring a lawsuit against your company.

## **Do I need an attorney to handle my business formation?**

It is not necessary to employ the services of an attorney to form your corporation or LLC. You can legally file the formation documents on your own or through someone of your choosing who acts as the incorporator or organizer of the new entity. However, we urge anyone who may need more guidance to consult their tax or legal advisor regarding their business formation.

## **Why should I use Parcorp Services to incorporate my business?**

Parcorp Services was established to provide complete and affordable formation services to small businesses. Our Certified Corporate Paralegals and experienced professionals can provide you with assistance throughout the entire process. We also provide additional business support services, software, books and other products so your business can adapt as it grows. We invite you to compare our services and fees to those offered by other companies. We simply provide a better service at a lower cost.

## **What exactly is a corporation?**

A corporation is a separate legal entity from the individuals who own and operate it. It can hold title to real property, it can borrow money, it can sue or be sued and enjoys constitutional rights and protections similar to those of an individual. In order to maintain this separation of the individual owners from the corporation simple organizational and operating procedures must be followed.

## **What is the structure of a corporation?**

The organizational structure of a corporation consists of three levels, namely Shareholders, Directors and Officers. The Shareholders are the owners of the corporation. The Directors manage the affairs of the corporation and are responsible for creating and implementing general business policies of the corporation. The officers of the corporation handle the day-to-day operation of the business. In most states one individual can act as the sole Shareholder, Director and Officers of the corporation.

## **What exactly is a Limited Liability Company?**

A Limited Liability Company is a unique business entity which combines the limited liability protection of a corporation with the simplicity and pass-through tax benefits of a partnership. Like a corporation it is a separate legal entity from the individuals who own and operate it.

## **What is the structure of a Limited Liability Company?**

The members of an LLC are the owners of the business. As a member you invest in the LLC in exchange for a percentage of ownership interest. Generally the members also act as the LLC's managers and are involved in the day to day running of the business, this is considered a member-managed LLC. (In some cases specific managers are designated to run the business, this is referred to as a manager-managed LLC.)

## **What is a Registered Agent?**

Most states require that an agent be registered with the state to receive governmental and legal correspondence. The agent must have a physical address within the State of incorporation and be of legal age. An officer, director, employee or even a shareholder may act as the registered agent if they meet the above requirements. The registered agent may also be served legal summonses in a lawsuit and you may want to avoid having these documents served at the business location or a home residence. For this reason Parcorp Services offers registered agent services at affordable annual rates.

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# Frequently Asked Questions

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## **How much paperwork is involved when I incorporate?**

To incorporate with Parcorp Services simply complete our on-line order form or call our office and give your information to one of our agents. We will prepare the formation documents and forward them to the Secretary of State along with the required filing fees. The entire process is handled quickly and efficiently so you can concentrate on your business activities.

## **How long does the incorporating process take?**

The time frame for incorporating depends on the state in which you are incorporating and the type of service you request. With our Expedited Service we can incorporate a business within three to five business days. Same day service is available in some states. Standard filing generally takes between three and four weeks.

## **Where should I incorporate my business?**

In general incorporating in the state in which the business is located is the most practical and least costly option for a small business. Other considerations may include whether or not the business will have multiple locations or if there are any state laws that apply to your particular business activity. However, we urge anyone who may need more guidance to consult their tax or legal advisor regarding their business formation.

## **Is Delaware the best state to incorporate?**

Many states have revised their corporate laws to include many of the benefits allowed Delaware corporations. Furthermore, most of the advantages of incorporating in Delaware apply to large publicly traded corporations. The most notable advantages to incorporating in Delaware include the following: (i) favorable franchise tax rates, (ii) nonresident shareholders are not subject to Delaware taxation, and (iii) Delaware courts liberally interpret corporation laws allowing favorable and more predictable decisions for corporations.

## **What expenses will I incur if I incorporate in another state?**

You should be aware of the added expenses associated with incorporating and maintaining a corporate presence in that state. If you incorporate in another state such as Delaware, you will still need to be authorized or qualified to do business in the state or states where you will actually be conducting your business. The cost associated with qualifying in a state is usually more expensive than the cost of incorporating in that state. In addition, you will be required to maintain a registered agent in the state of incorporation and may have to pay annually for this service. These expenses can be eliminated by incorporating in the state where the business will be located.

## **How does an LLC compare with a Sub S Corporation?**

An LLC's flexibility and ease of operation make it very favorable to small businesses. An S-Corp, while having similar pass-through taxation benefits, does not allow for flexible distribution of profits or losses. Further, S-Corps must maintain statutory corporate formalities.

An LLC can have multiple owners, without restrictions on type or classification, and may offer several different classes of ownership interest. An S-Corp is restricted to 75 shareholders, with restrictions on type and classification, and can offer only one class of stock.

While the LLC and S-Corp both provide limited liability protection and similar pass-through tax advantages, the LLC has far less restrictions or formalities it must adhere to. For this reason many small business owners are now forming as, and enjoying the benefits of being a limited liability company. We urge anyone who may need more guidance in choosing which entity is best suited for their business to consult their tax or legal advisor.

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**DISCLAIMER:** Parcorp Services, Ltd. is strictly a business filing and formation service and does not provide legal or tax advice. The information contained herein is provided as general information only. It should not serve as a substitute for legal advice from an attorney or other professional familiar with your specific situation.

# Our Services

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## **Standard Filing Service - 3 to 5 weeks in most states**

Parcorp Services has set the standard for high quality service. Our combination of experience, professionalism and affordability makes Parcorp Services the right choice for you and the smart choice for your business. We can assist you whether you are forming your first corporation or have formed one before and need only limited assistance. We guarantee your incorporation will be handled quickly and professionally by our courteous, well qualified staff.

### *Our Standard Filing Service Includes:*

- Free Name Availability Search (State)
  - Preparation of Articles of Incorporation
  - Processing and Filing of the Articles of Incorporation with the State
  - Confirmation of Incorporation by phone
  - Any and all confirmation copies sent to you at no charge
  - [Articles are filed using the states STANDARD FILING procedures](#)
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## **Express Filing Service - 1 to 5 days in most states**

### *Our Express Filing Includes:*

- Free Name Availability Search (State)
  - Preparation of Articles of Incorporation
  - Processing and Filing of the Articles of Incorporation with the State
  - Confirmation of Incorporation by phone
  - Any and all confirmation copies sent to you at no charge
  - [Articles are filed using the states EXPRESS FILING procedures](#)
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## **Federal Tax ID Service (Employer Identification No.)**

After your business is incorporated you will be required to obtain a Federal Tax Identification Number or Employer Identification Number (EIN). This number is necessary for opening your bank account and is the number the IRS will use to identify your business. We provide complete preparation and filing of the required Form SS-4 to assist you with this important process.

### *Our Tax ID Service Includes:*

- Complete Preparation of your Form SS-4 (Application for EIN)
  - Processing and Filing with the IRS
  - Notification of Tax Id Assignment by phone
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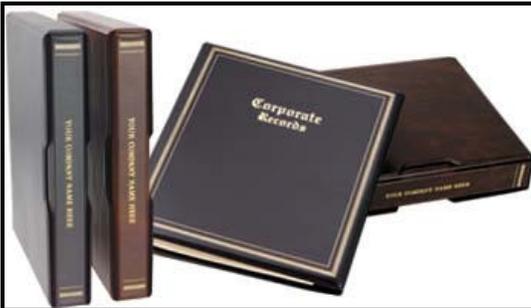
## **Registered Agent Services**

If you are incorporating in a Foreign State or need Registered Agent Services in your home State, Parcorp provides complete Agent Services for all types of entities.

### *Registered Agent Services Include:*

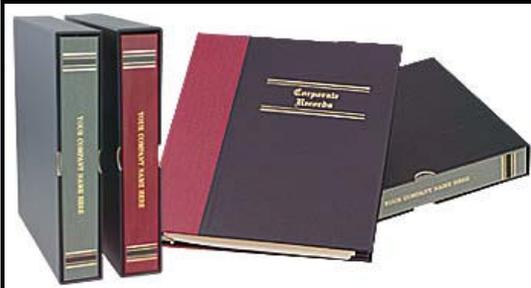
- Agent Services for one year with automatic renewal
  - Free forwarding of all correspondence to designated address
  - Acceptance of Service of Process on behalf of the company
  - Unlimited changes to forwarding address of the business
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# Books & Supplies



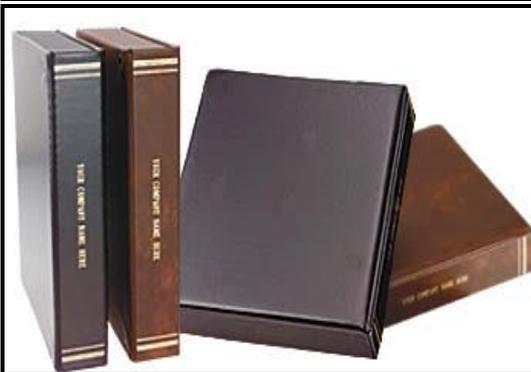
**Standard Kit \$65.00** This sleek 1 inch binder is beautifully detailed in gold. The sleek and slim construction will hold all of your documents without taking up much space.

- ◆ Binder & Slipcase-Corporate Seal
- ◆ 20 Security Stock Certificates
- ◆ Index Tabs-Minutes & Bylaws
- ◆ Transfer Ledger
- ◆ Federal Tax Forms



**Associate Kit \$85.00** This handcrafted, heavy-duty 1-inch binder has beautiful turned edge linen which makes this a distinctive and elegant binder. This kit includes a durable 1/4 wrap in burgundy detailed in black and gold.

- ◆ Binder & Slipcase-Corporate Seal
- ◆ 20 Security Stock Certificates
- ◆ Index Tabs-Minutes & Bylaws
- ◆ Transfer Ledger
- ◆ Federal Tax Forms



**The Executive Kit \$95.00** This Kit is an essential, quality, all-in-one corporate kit. Crafted from commercial-grade heavyweight pasted chipboard it provides protection without the need for a separate slipcase. This kit is specially designed with pleated; rounded corners and unique fabric-supported vinyl covering that looks expensive and impressive without costing a fortune.

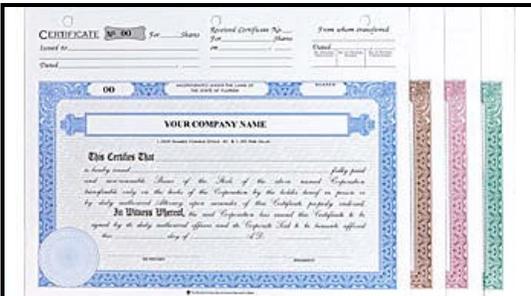
- ◆ Binder & Slipcase-Corporate Seal
- ◆ 20 Security Stock Certificates
- ◆ Index Tabs-Minutes & Bylaws
- ◆ Transfer Ledger
- ◆ Federal Tax Forms



## Embossing Seal \$29.95

This popular model is a favorite due to its compact size and handling ease. Its high leverage gives you a clean; crisp impression on most available paper stocks.

Available for Corporations and Limited Liability Companies



## Certificates (Set of 20) \$29.95

Choice of Blue; Green; Brown or Burgundy \*Base reaction - blue green stain \*Invisible; embedded fibers - fluoresces yellow \*Two visible; embedded fibers - green and red \*True paper machine watermark \*True security level toner anchorage for laser printing \*Heat sensitive ink background

Available for Corporations and Limited Liability Companies