



- Incorporation of U.S. Companies
- Registration of U.S. Trademarks

Comparative Table

Delaware	C Corporation (General)	Close Corporation	S Corporation	Limited Liability Company (LLC)
<i>Creation</i>	By statutory authorization (after filing with the State)	By statutory authorization (after filing with the State)	By statutory authorization (after filing with the State))	By statutory authorization (after filing with the State)
<i>Constituent Document</i>	Certificate of Incorporation	Certificate of Incorporation	Certificate of Incorporation	Certificate of Formation
<i>Legal Status</i>	Separate legal entity	Separate legal entity	Separate legal entity	Separate legal entity
<i>Duration</i>	Perpetual	Perpetual	Perpetual	Perpetual or limited to a determined (e.g. 50 years) or determinable (e.g. death or leave of a member) period of time
<i>Corporate Name</i>	Must ending by Corp., Inc., Co., Ltd. or other	Must ending by Corp., Inc., Co., Ltd. or other	Must ending by Corp., Inc., Co., Ltd. or other	Must ending by LLC, L.L.C. or Limited Liability Company
<i>Address of Headquarters</i>	May be outside of Delaware	May be outside of Delaware	May be outside of Delaware	May be outside of Delaware
<i>Obligation to be represented in the State</i>	Yes, through a registered agent	Yes, through a registered agent	Yes, through a registered agent	Yes, through a registered agent
<i>Minimal Number of Shareholders or Members</i>	One	One	One (husband and wife are considered as only one shareholder)	One
<i>Maximal Number of Shareholders or Members</i>	Unlimited	30	100	Unlimited
<i>Minimal Number of Directors or Managers</i>	One	One	One	N/A

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<i>Minimal Number of Officers (e.g. President, VP, etc.)</i>	One	One	One	N/A
<i>Restrictions about Type of Shareholders or Members</i>	No. Any natural or legal person may be a shareholder.	No. Any natural or legal person may be a shareholder.	Yes. Only a natural person, estate and some type of trust may be a shareholder.	No. Any natural or legal person may be a member.
<i>Restrictions about Residency of Shareholders or Members</i>	No. Any non-US resident may be a shareholder.	No. Any non-US resident may be a shareholder.	Yes. US citizenship or residency required.	No. Any non-US resident may be a member.
<i>Restrictions About Subsidiaries</i>	Yes. Cannot have a S Corporation as subsidiary.	Yes. Cannot have a S Corporation as subsidiary.	Yes. Cannot Be a Subsidiary of a C or Close Corporation. Cannot be a subsidiary of a S Corp. except if 100% owned. Other restrictions applicable.	No
<i>Personal Liability for Shareholders or Members (in general)</i>	No liable for Corporation's debts and obligations	No liable for Corporation's debts and obligations	No liable for Corporation's debts and obligations	No liable for LLC's debts and obligations
<i>Information Available on Div. of Corp. Public Records (Shareholders or Members)</i>	No	No	No	No
<i>Information Available on Div. of Corp. Public Records (Directors or Managers)</i>	Yes	Yes	Yes	No
<i>Agency</i>	Shareholder is neither a principal nor an agent of the Corporation.	Shareholder is neither a principal nor an agent of the Corporation.	Shareholder is neither a principal nor an agent of the Corporation.	Member is not a principal of the LLC but may be its agent.
<i>Flexibility of Financial Structure</i>	Unlimited. Possibility of several classes of shares.	Unlimited. Possibility of several classes of shares.	Limited. Possibility of only one class of shares (but may include voting and non-voting shares).	Unlimited. Possibility of several categories of units.



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<i>Formalism</i>	Important formalism: shareholders and directors meetings, annual report, etc.	Important formalism: shareholders and directors meetings, annual report, etc.	Important formalism: shareholders and directors meetings, annual report, etc.	Formalism less important. Usual corporate formalities (e.g. minutes, bylaws, meetings, etc.) can be eliminated in the LLC Operating Agreement.
<i>Requirements of Form</i>	Yes. By-laws and minutes must be made in writing.	Yes. By-laws and minutes must be made in writing.	Yes. By-laws and minutes must be made in writing.	No. The LLC Operating Agreement may be verbal or written.
<i>Linguistic Requirements</i>	Yes. Corporate documents must be written in English.	Yes. Corporate documents must be written in English.	Yes. Corporate documents must be written in English.	No. The LLC Operating Agreement may be written (if so) in any language.
<i>Management</i>	Management by the Board of Directors, elected by shareholders	Management by the Board of Directors, elected by shareholders	Management by the Board of Directors, elected by shareholders	Management by members or by managers, according to the LLC Operating Agreement
<i>Rules of Operation</i>	Stated by the corporation by-laws	Stated by the corporation by-laws	Stated by the corporation by-laws	Stated by the LLC Operating Agreement
<i>Time to Adopt Rules of Operation</i>	After incorporation of the Corporation	After incorporation of the Corporation	After incorporation of the Corporation	Before or after formation of the LLC
<i>Annual Obligations</i>	1) Filing of the annual report 2) Payment of the Franchise Tax	1) Filing of the annual report 2) Payment of the Franchise Tax	1) Filing of the annual report 2) Payment of the Franchise Tax	Payment of the LLC Tax
<i>Franchise or LLC Tax Amount</i>	US\$225 (for a maximum authorized capital of 5,000 common shares)	US\$225 (for a maximum authorized capital of 5,000 common shares)	US\$225 (for a maximum authorized capital of 5,000 common shares)	US\$300
<i>Delay for Filing the Annual Report</i>	March 1	March 1	March 1	N/A
<i>Delay for Paying Franchise Tax or LLC Tax</i>	March 1	March 1	March 1	June 1

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<i>Legal Proceedings</i>	The Corporation may sue and be sued in its own name.	The Corporation may sue and be sued in its own name.	The Corporation may sue and be sued in its own name.	The LLC may sue and be sued in its own name.
<i>Taxation</i>	Tax payable by Corporation	Tax payable by Corporation	No tax payable by Corporation	Tax payable by membres, except if they have decided that it would be payable by the LLC.
<i>Tax Pass Through Shareholders or Members</i>	No	No	Yes. The Corporation's profits and losses are allotted to Shareholders.	Yes. The LLC's profits and losses are allotted to Members.
<i>Double Taxation</i>	Yes	Yes	No	No
<i>Deduction of Operation Losses by Shareholders or Members</i>	No	No	Yes	Yes (active members only)
<i>Termination of Special Tax Status</i>	Non-applicable	Non-applicable	Yes, Upon Specific Events	No, except if Members have decided that tax would be payable by the LLC.
<i>Possibility of Income Allocation</i>	No. Income is allotted to the Corporation exclusively.	No. Income is allotted to the Corporation exclusively.	No. Income must be allotted strictly by stock ownership percentage.	Yes. Income can be shared among Members, in the proportions agreed upon between them.
<i>Tax Flexibility (Profit Sharing)</i>	Yes. No obligation to immediately share profits between shareholders (through dividends).	Yes. No obligation to immediately share profits between shareholders (through dividends).	No. All profits (after salaries) are shared between shareholders during the current year.	No. All profits (after salaries) are shared between members during the current year.
<i>Choice of Tax Year</i>	Yes	Yes	No. Must end on December 31, with certain exceptions.	Yes
<i>Raising Capital</i>	Possible by issuing and selling shares	Possible by issuing and selling shares	Possible by issuing and selling shares	Possible to sell his interest but subject to the LLC Operating Agreement

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<i>Restrictions About Source of Income</i>	No	No	Yes. Maximum of 25% of total income may come from passive activities (annuities, dividends, rents, royalties, etc.)	No
<i>Transfer of Shares or Interest</i>	Shares Easily Transferable	Shares Transferable Under Certain Conditions (Directors or Shareholders Approval)	Same as C Corporation C or Close Corporation (as the case may be)	Participation More Difficult to Transfer (e.g. Other Members Approval)
<i>Protection Against Creditors</i>	No. Shares can be seized by Shareholders' creditors.	No. Shares can be seized by Shareholders' creditors.	No. Shares can be seized by Shareholders' creditors.	No. Interest can be seized by Members' creditors.
<i>Employment Taxes (Social Security and Medicare)</i>	Salaries subject to taxes. Dividends not subject to taxes.	Salaries subject to taxes. Dividends not subject to taxes.	Salaries subject to taxes. Dividends not subject to taxes.	Salaries and profits usually subject to taxes (except for passive members of an LLC managed on a centralized manner).
<i>Right to Grant Fringe Benefits (Pension Fund, Stock Options, Employee Stock Purchase Plan)</i>	Yes	Yes	Yes	No
<i>Taxation of Some Fringe Benefits (Group Life Insurance, Medical Expense Reimbursement Plan, Medical Insurance Premiums, etc.)</i>	No	No	Yes (except employees who own 2% or less of corporation shares)	Yes
<i>Right to Merge with a C, Close or S Corporation from Delaware</i>	Yes	Yes	Yes	Yes



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<i>Right to Merge with a C, Close or S Corporation from another State</i>	Yes, except if prohibited by the other State law.	Yes, except if prohibited by the other State law.	Yes, except if prohibited by the other State law.	Yes, except if prohibited by the other State law.
<i>Right to Merge with a LLC from Delaware</i>	Yes	Yes	Yes	Yes
<i>Right to Merge with an LLC from another State</i>	Yes, except if prohibited by the other State law.	Yes, except if prohibited by the other State law.	Yes, except if prohibited by the other State law.	Yes, except if prohibited by the other State law.
<i>Right to Convert Into a C Corporation</i>	N/A	Yes	Yes	Yes
<i>Right to Convert Into a Close Corporation</i>	Yes, subject to restrictions proper to close corporations	N/A	Yes, subject to restrictions proper to close corporations	Yes, subject to restrictions proper to close corporations
<i>Right to Convert Into a S Corporation</i>	Yes, subject to restrictions proper to S corporations	Yes, subject to restrictions proper to S corporations	N/A	Yes, subject to restrictions proper to S corporations
<i>Right to Convert Into an LLC</i>	Yes	Yes	Yes	N/A



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Warning This Comparative Table has been prepared using several sources of information, all available in the public domain. However, considering that laws and their interpretation are changing on a regular basis, CorpoMax can by no means guarantee the accuracy of the information contained herein. It is thus strongly recommended to contact a lawyer, an accountant, a tax expert or any other qualified professional in order to obtain specific advice related to your particular situation.

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