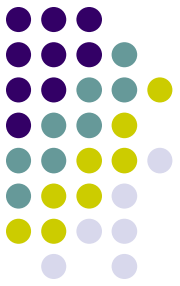
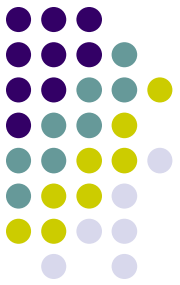


Corporate Taxation



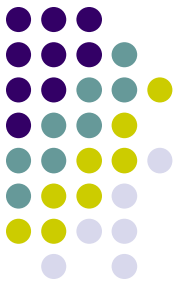
- **Double Taxation:**
- Corporate profits are taxed when they are made as income
- When “dividends” are paid out to the shareholders, they are taxed to the shareholders again as their income.
- If dividends are kept in the corporation, shareholders are not taxed, but the shareholders will be taxed when they sell their shares (capital gains tax)

Corporate Liability

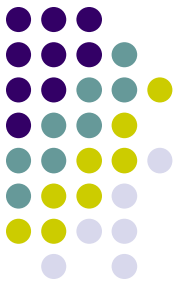


- **Liability of the corporation itself:**
 - The corporation is liable for any act by any of its employees that is taken in furtherance of the corporation's business
 - The corporation is liable for “pre-incorporation” contracts if they are adopted by the corporation or if the corporation accepts their benefits
 - For torts by employees, the vicarious liability rules from torts apply
 - Criminal liability can also attach to a corporation

Corporate Liability

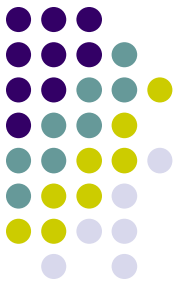


- **Liability of Directors and Officers to the Shareholders:**
 - Directors and Officers owe to the Shareholders duties of loyalty and care. Breach of these duties can result in liability to the shareholders.
 - Directors and Officers are protected by the “Business Judgment Rule”
- **Liability of Shareholders to creditors of the corporation:**
 - With certain exceptions, shareholders are not liable for corporate debts. Their maximum possible loss is whatever their investment in the company was. This is known as “limited liability”.



QUIZ TIME!

UPA Title Page

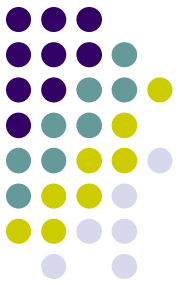


UNIFORM PARTNERSHIP ACT (1997)

Drafted by the
NATIONAL CONFERENCE OF COMMISSIONERS
ON UNIFORM STATE LAWS
and by it
APPROVED AND RECOMMENDED FOR ENACTMENT
IN ALL THE STATES
at its
ANNUAL CONFERENCE
MEETING IN ITS ONE-HUNDRED-AND-FIFTH YEAR
SAN ANTONIO, TEXAS
JULY 12 - JULY 19, 1996
WITH PREFATORY NOTE AND COMMENTS
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By
NATIONAL CONFERENCE OF COMMISSIONERS
ON UNIFORM STATE LAWS

Approved by the American Bar Association
San Antonio, Texas, February 4, 1997

Articles of Incorporation - Example



New York State
Department of State
Division of Corporations, State Records
and Uniform Commercial Code
Albany, NY 12231
CERTIFICATE OF INCORPORATION
OF
Example, Inc.

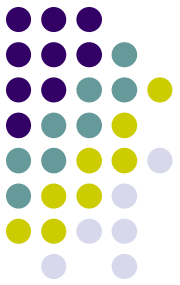
Under Section 402 of the Business Corporation Law

FIRST: The name of the corporation is: Example, Inc.

SECOND: This corporation is formed to engage in any lawful act or activity for which a corporation may be organized under the Business Corporation Law, provided that it is not formed to engage in any act or activity requiring the consent or approval of any state official, department, board, agency or other body without such consent or approval first being obtained.

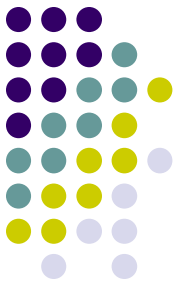
THIRD: The county, within this state, in which the office of the corporation is to be located is: Rockland County, Inc.

Articles of Incorporation 2



- FOURTH: The total number of shares which the corporation shall have authority to issue, and a statement of the par value of each share or a statement that the shares are without par value are: 200, No Par Value.
- FIFTH: The secretary of state is designated as agent of the corporation upon whom process against the corporation may be served. The address to which the Secretary of State shall mail a copy of any process accepted on behalf of the corporation is:
- SIXTH: *(optional)* The name and street address in this state of the registered agent upon whom process against the corporation may be served is: 123 Main St. Hypoville, NY 10940
- SEVENTH: *(optional—the existence of the corporation begins on the date the certificate of incorporation is filed by the Department of State. Corporate existence may begin on a date, not to exceed 90 days, after the date of filing by the Department of State. Complete this paragraph only if you wish to have the corporation's existence to begin on a later date, which is not more than 90 days after the date of filing by the Department of State.)* The date the corporate existence shall begin is: .

Articles of Incorporation 3



- EIGHTH: The duration of this corporation shall be perpetual.
- NINTH: The initial board of directors will be:

John Doe
123 Main St.
Hypoville, NY 10950

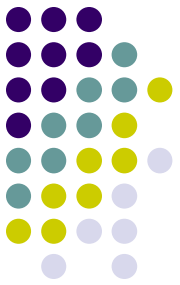
Jane Doe
123 Main St.
Hypoville, NY 10950



Mary Smith
121 Main St.
Hypoville, NY 10950

Incorporator Information

John Doe
123 Main St.
Hypoville, NY 10950

Delaware Corporate Code

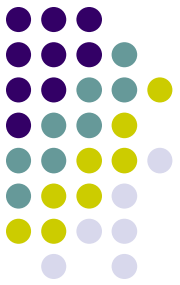


 <p>State of Delaware The Official Website for the First State</p>	
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[Online Delaware Code](#)

<p><u>HOME</u> Delaware's Governor The General Assembly Courts <u>SERVICES</u> Division of Research Subscription Services Monthly Regulatory Subscription Service Legislation Notification Services <u>INFORMATION</u> Delaware Regulations City and Town Charters Delaware Corporate Law Clearinghouse</p>	<p>The Delaware Constitution Title 1 - General Provisions Title 2 - Transportation Title 3 - Agriculture Title 4 - Alcoholic Liquors Title 5 - Banking Title 6 - Commerce and Trade Title 7 - Conservation Title 8 - Corporations Title 9 - Counties Title 10 - Courts and Judicial Procedures Title 11 - Crimes and Criminal Procedure Title 12 - Decedents' Estates and Fiduciary Relations Title 13 - Domestic Relations Title 14 - Education Title 15 - Elections Title 16 - Health and Safety</p>	<p>Title 17 - Highways Title 18 - Insurance Code Title 19 - Labor Title 20 - Military and Civil Defense Title 21 - Motor Vehicles Title 22 - Municipalities Title 23 - Navigation and Waters Title 24 - Professions and Occupations Title 25 - Property Title 26 - Public Utilities Title 27 - Religion Title 28 - Sports and Amusements Title 29 - State Government Title 30 - State Taxes Title 31 - Welfare</p>
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History of the SEC



SECURITIES AND EXCHANGE COMMISSION

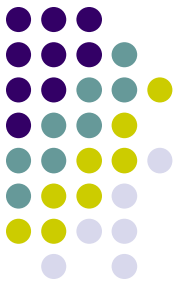
The Securities and Exchange Commission was established in 1934 to regulate the commerce in stocks, bonds, and other securities. After the October 29, 1929, stock market crash, reflections on its cause prompted calls for reform. Controls on the issuing and trading of securities were virtually nonexistent, allowing for any number of frauds and other schemes. Further, the unreported concentration of controlling stock interests in a very few hands led to the abuses of power that the free exchange of stock supposedly eliminated.

To bring order out of chaos, Congress passed three major acts creating the Securities and Exchange Commission (SEC) and defining its responsibilities. The Securities Act of 1933 required public corporations to register their stock sales and distribution and make regular financial disclosures. The Securities Exchange Act of 1934 created the SEC to regulate exchanges, brokers, and over-the-counter markets, as well as to monitor the required financial disclosures. The 1935 Public Utility Holding Company Act did away with holding companies more than twice removed from the utilities whose stocks they held. This "death sentence" ended the practice of using holding companies to obscure the intertwined ownership of public utility companies. Further, the act authorized the SEC to break up any unnecessarily large utility combinations into smaller, geographically based companies and to set up federal commissions to regulate utility rates and financial practices.

The business community, wary of New Deal reforms, was mollified by the efficient chairmanships of Joseph P. Kennedy and William O. Douglas.

See also [Government and the Economy; New Deal](#).

Sample Commercial Incorporator Website



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