1.Business Capital structure

 [ ]Determine the proposed corporation's scale of operations.

 --What volume will make it a growing concern?

 --What are the desired stages of growth?

 [ ]Project a cash flow to justify the risk of capital.

 [ ]Assess how much capital will be raised by investment in equity.

 --Common stock?

 --Preferred stock?

 --Ownership restrictions?

 [ ]Complete a schedule of the stock, setting forth the following:

 --Par value

 --Preferences as to dividends, liquidation, and voting

 --Redemption and conversion rights or restrictions

 --Preemptive rights

 --Cumulative voting

 --Restrictions on transfer

 --Stock options and warrants

 [ ]Set forth details about the initial subscription for shares, including:

 --Subscriber

 --Amount

 --Cash/property

 [ ]Consider necessity of long-term financing.

 [ ]Calculate plant, machinery, fixtures, and fixed assets.

 [ ]Make initial determinations regarding handling of inventory, payables, and receivables.

 [ ]Consider leasing rather than owning assets such as buildings, vehicles, and machinery.

 [ ]Consult tax professionals regarding tax liabilities incurred by using different capital structures.

 [ ]Check Federal Securities Act and state "Blue Sky" law requirements.

 2.Nature of business

 [ ]Determine what purposes the business will be set up for.

 [ ]Determine what patents, copyrights, and trademarks should be registered or transferred.

 [ ]Determine what state and local licenses must be obtained or transferred.

 3.Location of business

 [ ]Select the location of the principal place of business.

 --Address

 --Description

 --Own or lease

 [ ]Decide whether the corporation will have other places of business.

 --Addresses

 --Descriptions

 --Own or lease

 4.State of incorporation

 [ ]Compare the relative advantages of the various state statutes. The usual procedure is to check the status of the "home" state against the statutes of neighboring states and major incorporating states (e.g., California, Delaware, Florida, Illinois, New York, Ohio, Pennsylvania, Texas).

 [ ]Check the following features of the state statutes:

 --Taxes

 --Organizational taxes, filing, and other fees

 --Franchise taxes

 --Corporate income taxes

 --Stamp tax on transfer of shares

 --Inheritance taxes on transfer of shares held by nonresidents

 --Other taxes

 --Directors

 --Number, residence, citizenship, and other qualifications

 --Limitations on liability

 --Stockholders

 --Maximum liability, place of meeting

 --Availability of cumulative voting, preemptive rights

 --Limitations on corporate powers and purposes

 --Duration of corporate existence

 --Minimum authorized stock; stock to be prescribed and paid in

 --How stock may be paid for (e.g., money, property, services, and so forth)

 --Classes of stock permitted; availability of restrictions on class's voting rights

 --Limitations on par value

 --Status of voting trusts

 --Indemnification of directors and officers

 --Restrictions on derivative actions (e.g., "security for expenses")

 --Limitations on stockholders' agreements

 5.Out-of-state activities

 [ ]Describe planned activities in states other than the state of incorporation.

 --Type of activity

 --Sales methods

 --Servicing

 --Stocks of goods

 --Leases

 --Salespeople

 --Contracts

 [ ]Determine the qualification required in each state involved.

 6.Completion date

 [ ]Select a date by which to complete all steps necessary for incorporation

 [ ]Set this date sufficiently far in advance so that there will be no last-minute mistakes that could result in costly or time-consuming errors.

 7.Name

 [ ]Select the corporate name and alternatives.

 [ ]Determine if the corporation will use a trade name.

 [ ]If the corporation expects to do business in other states, check the availability of the name for use in other states.

 [ ]Reserve the name for use in other states.

 8.Preincorporation agreement

 [ ]Complete and execute a preincorporation agreement, which may be merely an agreement to incorporate.

 [ ]Spell out details relating to corporate control, management, employment, and related matters.

 9.Articles of incorporation

 [ ]Cover the following items check the specific law of the state in question:

 --Name

 --Duration of corporate existence

 --Corporate purposes

 --Corporate powers

 --Stock

 --Number of shares authorized

 --Number of shares to be issued

 --Par value, if applicable

 --Dividends

 --Preferred stock

 --Voting

 --Cumulative voting

 --Preemptive rights

 --Directors

 --Number

 --Qualifications

 --Powers

 --Place of meeting

 --Action without a meeting

 --Maintenance of corporate books

 --Term of office

 --Staggered terms

 --Quorum for transaction of business

 --Removal

 --Vacancies

 --Indemnification

 --Limitations of liability

 [ ]Execute and file articles.

 [ ]Follow the statutory procedures precisely. Otherwise, the articles could be returned for correction, which could result in personal liability for the directors.

 [ ]Determine the procedure for amending the articles after checking state law as to whether a proportion of outstanding stock is required or merely a proportion of those present at the meeting.

 10.Bylaws

 [ ]Draft bylaws

 [ ]Cover the following items (check the specific law of the state in question):

 --Location of office

 --Annual meeting

 --Time and place

 --Notice

 --Quorum

 --Record date; closing of stock record books

 --Order of business

 --Voting

 --Restrictions on voting rights

 --Percentage of stockholder vote required for corporate action

 --Proxies

 --Preparation of list of stockholders entitled to vote

 --Appointment of election inspectors

 --Inspectors' duties

 --Special meeting

 --Who may call?

 --How much notice is required?

 --Directors

 --Number

 --Term

 --Removal

 --Vacancies

 --Compensation

 --Powers

 --Reliance on corporate books

 --Indemnification

 --Committees

 --Declaration of dividends

 --Action without a meeting

 --Directors' meetings

 --Power to call

 --Time and place

 --Notice

 --Quorum

 --Officers

 --Number and qualifications

 --Term

 --Powers and duties

 --Removal

 --Vacancies

 --Bonding

 --Loans

 --Stock

 --Form of certificate

 --Replacement of lost certificates

 --Payment in installments

 --Default in payment

 --Restrictions on transfer

 --Appointment of transfer agent and registrar

 --Authority to sign contracts, checks, etc.

 --Authority to vote stock in other corporations

 --Corporate seal

 --Power to amend

 11.Corporate outfit

 [ ]Obtain a corporate outfit-seal, stock register, minute book, and issue securities.

 [ ]Be sure that the shares of stock have the necessary signatures and are affixed with the corporate seal.

 [ ]Obtain necessary receipts.

 12.Bank

 [ ]Select the banks with which the corporation is going to do business and include this information in bylaws.

 [ ]Furnish the banks with a list of persons authorized to transact the corporation's bank business, such as negotiation of loans or signing of checks.

 13.First meeting of directors

 [ ]Hold first meeting of directors.

 --In some states, this follows a meeting of the incorporators, or the subscribers, or the first stockholders, to elect directors.

 --In other states, the first directors are named in the articles, and no elections are needed unless the first directors were accommodation directors or "dummies," who must resign or be replaced.

 [ ]Include some or all of the following in the agenda for the first meeting:

 --Selection of chairperson and secretary

 --Filing of notice of meeting or waiver of notice in minutes

 --Receipt of report of filing of articles of incorporation and placement into record of the meeting

 --Adoption of bylaws

 --Opening of stock subscription books

 --Receipt of report of subscriptions to capital stock and placement into record of the meeting

 --Passing of resolution authorizing issuance of stock and fixing terms and conditions for issue of preferred stock

 --Election and swearing-in of officers

 --Adoption of corporate seal

 --Reaching of agreement on form of stock certificate

 --Authorization for secretary to buy corporate record books

 --Designation of principal office

 --Appointment of resident agent

 --Filing and recording of required reports

 --Authorization for treasurer to open bank account and pay organization expenses

 14.Miscellaneous

 [ ]Pay state incorporating fees and taxes.

 [ ]Pay expenses of organization.

 [ ]File required papers, such as designation of agent for service of process, statement of paid-in capital, officers' oaths, etc.

 [ ]Retain legal counsel and accountant.

 [ ]Have the directors establish officers' salaries and prepare Form W-4 authorizing the corporation to withhold on wages.

 [ ]Obtain the necessary insurance on corporation property and key employees.

 [ ]Investigate employee benefit plans (e.g., accident, health, medical reimbursement, and wage continuation).

 [ ]Determine whether the corporation is going to have a pension or profit-sharing plan and work out the details.