STATE OF MICHIGAN

COMMON PROBLEMS FILING ARTICLES OF INCORPORATION

Michigan Department of
Licensing and Regulatory Affairs
Corporations, Securities & Commercial Licensing Bureau

Corporations Division
www.michigan.gov/corporations

LARA
LICENSING AND REGULATORY AFFAIRS
CUSTOMER DRIVEN. BUSINESS MINDED.

General Telephone Numbers
www.michigan.gov/corporations

Michigan Department of Licensing and Regulatory Affairs
General LARA Information .....(517) 373-1820
611 West Ottawa
Lansing, Michigan 48909

Corporations, Securities & Commercial Licensing Bureau
Corporations Division
PO Box 30054
Lansing, Michigan 48909-7554

Corporations Division Phone Number .....(517) 241-6470

Corporations Division Fax Numbers
MICH-ELF to submit documents (Must have MICH-ELF Filer account) (517) 636-6437
MICH-ELF Application (To establish or update MICH-ELF Filer account)(517) 241-6445
Orders for Certificates, Copies, or Information Requests.....(517) 241-0538

Michigan Department of Treasury
General Information .....(517) 373-3200
430 West Allegan
Treasury Building
Lansing, Michigan 48922
Business Tax Registration .....(517) 636-4660

US Department of Commerce - The Patent and Trademark Office
General Information .....(800) 786-9199
US Patent and Trademark Office
Commissioner for Trademarks
PO Box 1451
Alexandria, Virginia 22313-1451

The Corporations, Securities & Commercial Licensing Corporations Division is aware that filing Articles of Incorporation can be confusing. It is our hope that this brochure will make the filing process for Articles of Incorporation easier and help you avoid common errors that might cause unnecessary delays.

This brochure is not intended to serve as statutory analysis or professional advice. To assure that you understand the legal, business, tax, and financial obligations that may result from selecting a particular business entity, you may want to consult an attorney and an accountant. The Corporations Division has an Entrepreneur's Guide available on our website which explains the characteristics of different types of business entities. When submitting Articles, it is best to wait until you have received back the filed Articles or have confirmation that the Articles were filed before ordering or purchasing items such as signs, business cards and stationary to avoid problems that may arise.

WHAT ARE ARTICLES OF INCORPORATION?

Articles of Incorporation are legal formation documents that must be filed to create new profit, nonprofit, professional service, or ecclesiastical corporations. All Articles must include the name of the corporation, the purposes (except for ecclesiastical corporations), the name of the resident agent, the address of the registered office, and the names, addresses, and signatures of the incorporators. In addition, each type of corporation has individual requirements that must be satisfied in the Articles.

A foreign corporation wanting to transact business in Michigan must submit an Application for a Certificate of Authority to Transact Business in Michigan (form CSCL/CD-560). In the application the foreign corporation must state the character of its activities in the state. Foreign corporations can only lawfully carry on business activities in Michigan that they are authorized to perform in their home state and that can be performed by a domestic corporation.

Forms can be obtained from our website at www.michigan.gov/corporations. These forms contain the minimum information needed to be fileable, but may not meet all your legal or tax needs.

WHAT ARE THE DIFFERENCES BETWEEN VARIOUS TYPES OF CORPORATIONS?

Profit corporations are formed for the purpose of generating profit for shareholders. A profit corporation is generally composed of three categories of persons: shareholders, directors, and officers. The shareholders own the corporation, elect the directors and have the right to vote on major events of the corporation. Directors are responsible for managing the corporation's affairs. Officers are persons chosen by the board of directors to run the day-to-day operations of the corporation.

Nonprofit corporations are organizations in which members, officers, directors, and associates do not receive any profits of the corporation, although they may receive reasonable compensation for services rendered. Any profits of the corporation must be used to further the purpose for which the corporation was formed. Some of the most common types of nonprofit corporations include social clubs, civic organizations, day care centers, foundations, outreach organizations, museums, humane societies, schools, and homeowner associations.

The Articles of Incorporation for a nonprofit corporation must state whether the corporation will be formed as a stock or nonstock corporation. If a nonprofit corporation is formed on a stock basis, the number of authorized shares must be included in the Articles. If a nonprofit corporation is organized on a nonstock basis, the value and description of real and personal property assets, the method by which it will be financed, and a statement that it is organized as a membership or directorship corporation must be included in the Articles of Incorporation.

Professional service corporations are corporations in which shareholders must be licensed professionals. Licensed professionals are persons legally authorized to render a professional service. For example, professional service corporations may be formed by public accountants, doctors, dentists, veterinarians, architects, professional engineers, land surveyors, and attorneys at law. Shareholders of the corporation must be licensed in the professional service that the corporation provides. A professional service corporation may not engage in any business other than the rendering of the professional services for which it was specifically incorporated. Profit corporations providing services in a "learned profession" may only form as professional service corporations. (See Attorney General Opinion 6592, dated July 10, 1989)

Ecclesiastical corporations are formed for the purpose of establishing religious organizations. The organization must be formed for purpose of teaching and spreading religious beliefs and principles. All churches incorporated as ecclesiastical corporations must be organized as nonprofit membership corporations.

COMMON PROBLEMS

The list that follows includes the most common problems that delay the filing of Articles of Incorporation. This list is neither exhaustive nor complete and should be used only as a guide.

The wrong information is used for filing Articles of Incorporation.
You must submit the correct information for the type of corporation you are trying to create. For example, if you are trying to form a nonprofit corporation, you could not submit Articles of Incorporation for a profit corporation. If the Articles contain the wrong information, the document will have to be returned or modified to include the required information.

No fee or the incorrect amount is submitted with the document.
All required fees must be submitted with the Articles of Incorporation. If no payment is received or an insufficient amount is received with the Articles, the document cannot be filed. The filing fee may be paid by check or money order through the mail or by credit card through our MICH-ELF electronic fax filing system or in person at our office. Checks and money orders must be made payable to the State of Michigan. Instructions on the back page of Articles of Incorporation forms available from the Corporations Division provide information about filing fees and how to compute fees for stock. If you have any questions about fee requirements, please feel free to contact our Document Review section.

The chosen name is either not available or contains a restricted word.
The proposed name of a corporation must meet certain criteria before the document can be filed. The name must be distinguishable on the record of the administrator from all active names of corporations, limited partnerships and limited liability companies. In addition, the name may not contain a word or phrase that indicates or implies that the corporation is engaged in an activity other than a lawful purpose or purposes permitted in the Articles.

To determine if a proposed name is currently in use by a corporation, limited partnership or limited liability company, you may use our online name availability check at www.michigan.gov/nameavailability or contact our Business Services Section at (517)-241-6470. Name searches are a preliminary check and are not a guarantee that the name you want will be available when your Articles of Incorporation are received for review. If more time is needed to organize, a corporation name can be reserved by submitting an Application for the Reservation of a Name, form CSCL/CD-540.

A name may be rejected if it contains a restricted word. Restricted words are words and abbreviations that must meet certain criteria before the Corporations Division can file the proposed name. Examples

include names that imply governmental association, names that denote a professional corporation such as a law firm or a doctor's office or words and expressions which signal a company is doing business as a bank may be restricted. Restricted words fit into three categories: cautions, restrictions, and prohibitions. A list of restricted words can be found at Restricted Words List. The use of some of these words requires approval of another agency prior to use.

The corporation name implies a purpose which is not permitted.
A corporation whether profit, nonprofit, professional service, or ecclesiastical may be formed for a lawful purpose. The purpose that must be supplied on the Articles of Incorporation describing activities the corporation will carry out is dependent on the type of corporation that you are forming. Profit corporations may use an "all purpose clause" in their Articles of Incorporation, while nonprofit and professional service corporations are required to state a specific purpose. An "all purpose clause" is a statement that the purpose is to engage in any lawful activity within the purposes for which corporations may be organized. When a corporation does not use an all purpose provision, the purpose clause must include enough information to determine the corporation's purpose and that the purpose would be permitted under the Act. For nonprofit corporations, the Articles must state the specific purpose for which the corporation is formed. Professional service corporations must specifically state the professional services the corporation will render.

No shares are authorized.
When forming a profit, a stock nonprofit, or a professional service corporation, the Articles of Incorporation must state the number of shares the corporation may issue. The shares may be all one class or may be divided into two or more classes. When authorized shares are designated into two or more classes, the shares of each class must be distinguishable from the shares of the other classes. Each class shall consist of shares having designations and relative voting, distribution, dividend, liquidation, and other rights. A corporation may issue all or part of the authorized shares.

A resident agent is not appointed in the Articles of Incorporation.
A resident agent must be appointed in the Articles of Incorporation. A resident agent is someone who is appointed by the corporation to receive any documents, notices or demands served upon the corporation. For profit and professional service corporations, the resident agent may be either an individual resident in this state whose business office or residence is identical with the registered office; a domestic corporation or a limited liability company; or a foreign corporation or limited liability company authorized to transact business in this state that has a business office identical with the registered office. For nonprofit and ecclesiastical corporations, the resident agent may be either an individual resident in this state whose business office is identical with the corporation's registered office, a domestic or domestic business corporation, or a foreign or foreign business corporation authorized to conduct affairs or transact business in this state and having a business office identical with the corporation's registered office. When the resident agent resigns, the corporation is required to appoint a new agent. To change the resident agent or registered office, the corporation must submit a statement of the change to the Corporations Division. A resident agent change may also be made on the annual report.

A registered office is not included in the Articles of Incorporation.
A registered office must be included in the Articles of Incorporation. A registered office is an address in the state of Michigan where the resident agent is available. The registered office must be a physical location, but the mailing address can be a P.O. Box. A corporation must always maintain a current registered office. If the registered office location or mailing address changes, the corporation must file a certificate to change the registered office location or mailing address. A registered office change may also be made on the annual report.

The names and addresses of the incorporators are not included in the Articles of Incorporation.
One or more persons may form a corporation. Incorporators are persons who initially create the corporation and their name(s) and address(es) need to be included in the Articles of Incorporation. The incorporators and information regarding incorporators cannot be removed or changed by amending the Articles of Incorporation. Corporations formed under special acts may need more than one incorporator. Professional service corporations can only be formed by persons licensed to perform the services the corporation will provide.

No designations in Articles of Incorporation.
A nonstock, nonprofit corporation must designate in its Articles whether it is a membership or a directorship corporation. A membership nonprofit corporation is one in which the board of directors is elected by the members and the members have a right to vote on certain transactions. A directorship nonprofit corporation is one that may or may not have members, but if there are members they do not have the right to vote.

Articles of Incorporation for nonprofit corporations may contain additional provisions relating to volunteer directors, volunteer officers, non-director volunteers, and tax exemption. Federal Tax exemption is obtained through the Internal Revenue Service. The IRS requires that the Articles of Incorporation contain certain provisions, including a statement that the corporation will not discriminate based on race, color, creed, or national origin, that it will not engage in political activities, and describing what happens to its assets in the event of dissolution. Acceptable language for the provisions may be obtained directly from the Internal Revenue Service.

The Articles of Incorporation are not signed by the incorporators.
When you submit the Articles of Incorporation to the Corporations Division, the Articles must be signed in accordance with relevant statutes. If the signature on the document is missing, or not in accord with statutory requirements, the document will be returned for correction.

WHAT HAPPENS IF I MAKE A MISTAKE ON MY FORM?

Many mistakes that occur when you are filing Articles of Incorporation can be corrected with your approval directly over the phone. Unfortunately, some errors require the document to be returned to you for correction. To facilitate the quick correction of your Articles of Incorporation, we suggest that you provide a phone number of a person we can contact, so if the Articles do not substantially conform, we can contact you by phone rather than having to write to you and return the document by mail.

CONTACTING THE CORPORATIONS DIVISION

The staff here at the Corporations Division will be more than happy to answer questions that may arise while you are trying to create your corporation, as we want this process to be as convenient as possible for you. To facilitate this filing process, the Corporations Division offers many different ways to contact us for assistance and to file your Articles of Incorporation or other applicable documents. What follows is a comprehensive list of all the ways to contact us.

Website (www.michigan.gov/corporations**)**
The website contains document images and database information for corporations, limited liability companies, and limited partnerships. Copies of documents and reports can be viewed and/or printed at no charge.

The website also contains forms, general information, frequently asked questions, procedure manuals and a business entity search feature. In addition, questions may be submitted by email.

Telephone Services
Information about specific entities including officers and directors is available at (517) 241-6470, Monday through Friday from 8 a.m. - 5 p.m. EST. Copies of documents, certificates of good standing or other certificates may be ordered at the same number and information about filing requirements is also available.

Records: Inquiries about filing requirements for documents or annual reports and requests for information about specific entities may be faxed to (517) 241-0538.

Certificates and Copies: Orders for copies of documents, certificates of good standing, or other documents can be placed at (517) 241-6470 may be scheduled to fax within an hour. Requests may be submitted by fax at (517) 241-0538.

Electronic Filing
MICH-ELF: The MICH-ELF service allows all **Corporations Division documents,** other than annual reports, to be filed electronically. Using a fax machine, documents can be sent to the fax gateway 24 hours a day, seven days a week. The documents are received as electronic images and displayed on a computer screen.

Customers must first obtain a filer number by completing form CSCL/CD-901, MICH-ELF Application, or comparable document which contains the following:

- Name, address and phone number of MICH-ELF applicant
- Fax number for return of document
- Type of credit card (At present, only VISA and MasterCard are accepted)
- Credit card number, expiration date, name of cardholder, and billing street address and zip code
- Contact person, phone and fax number if other than applicant

Fax the completed MICH-ELF Application to (517) 241-6445.

Once the filer number is received, you may then fax your document(s) to (517) 636-6437. The filer number should be added to each future transaction, form CSCL/CD-900, MICH-ELF Cover Sheet may be used.

The document will be processed and stored electronically. If the document is illegible or requires modification or adjustment, the customer must submit a replacement document. MICH-ELF documents must be sent using a setting of high (or fine) resolution, namely 200 DPI (dots per inch) vertical and horizontal resolutions. The document should have a half-inch border on the right-hand margin and bottom.

Filings more than ten pages transmit very slowly; therefore a maximum of ten pages can be submitted with each MICH-ELF transmission, including the fax cover sheet. Documents of more than ten pages should be mailed to P.O. Box 30054, Lansing, MI 48909-7554 or brought in person to the Corporations Division.

Customers may request good standing certificates and certified copies of the document being filed through MICH-ELF. The cost for the order will be charged to the customer's credit card.

FILEOnline (web/email submissions)
FILEOnline is a service offered by the Corporations Division that allows business entities to file annual

reports and annual statements from our website.

The service also allows users to submit document to our electronic filing system (MICH-ELF) from an email link (cdfilings@michigan.gov).

For more information, please see FILEOnline on our website.

Mail Services
Orders for copies or certificates, requests for information about filing requirements for documents, general information questions, requests for information on a specific entity or name availability inquiries, or documents to be filed, may be mailed to:

Corporations Division
P.O. Box 30054
Lansing, MI 48909-7554

Requests for information about annual report filing requirements may be mailed to:

Corporations Division
P.O. Box 30057
Lansing, MI 48909-7557

In Person: The Corporations Division is located at 2501 Woodlake Circle, Okemos, Michigan and the Corporations Division is open Monday through Friday from 8 a.m. - 5 p.m. EST. Computer terminals are available for customer use to view documents or to search records on the database, free of charge. Forms are also available. Documents and reports may be submitted for review, and copy and/or certificate requests can also be ordered.

Profit Corporation Fees for Authorized Shares

The fees for initial authorized shares and increases in authorized shares for Michigan profit corporations and for authorized shares attributable to Michigan for foreign profit corporations* qualified to do business in Michigan are:

1-60,000	$50
60,001-1,000,000	$100
1,000,001-5,000.000	$300
5,000,001-10,000,000	$500
More than 10,000,000	$500 for first 10,000,000 plus $1000 for each additional 10,000,000, or portion thereof

*Foreign corporations only pay for the authorized shares attributable to Michigan. At the time of application for Certificate of Authority to do business in Michigan 60,000 shares are considered initially attributable to Michigan. Additional fee is due when shares attributable to Michigan increase. The number of authorized shares attributable to this state is determined by multiplying the total number of authorized shares by the most recent apportionment percentage used in the computation of the tax required by the single business tax act, 1975 PA 228, MCL 208.1 to 208.145, or the Michigan business tax act, 2007 PA 36, MCL 208.1101 to 208.1601. If the business activities are confined solely to this state, the total number of authorized shares is considered attributable to this state.

24-HOUR, SAME DAY, 2-HOUR, AND 1-HOUR EXPEDITED SERVICE FOR DOCUMENTS

Expedited service is available for all documents for profit corporations, limited liability companies, limited partnerships and nonprofit corporations.

Complete a separate Expedited Service Request, form CSCL/CD 272, for each document for which expedited service is being requested.

24-hour service: **Any document concerning an existing entity** **$100**
Formation documents and applications for certificate of authority…….**$50**

Same day, other than 1 or 2 hour, must be received by 1 p.m. EST or EDT
Existing domestic entity or qualified foreign entity..... **$200**
Formation documents and applications for certificate of authority..... **$100**

2 hour on same day as request, must be received by 3 p.m. EST or EDT .. **$500**

1 hour on same day as request, must be received by 4 p.m. EST or EDT **$1000**

The nonrefundable expedited service fee is in addition to the regular fees applicable to the specific document.

COMMON PROBLEMS CHECKLIST

	Item Checklist
	1. The correct information is in the Articles of Incorporation.
	2. The correct fee is submitted with your document.
	3. The name you have chosen is available.
	4. The corporation name implies a purpose which is permitted.
	5. The authorized shares are stated.
	6. Your resident agent is appointed in the Articles of Incorporation.
	7. Your registered office is included in the Articles of Incorporation.
	8. The names and addresses of incorporators are included in the Articles.
	9. All required designations are in Articles of Incorporation.
	10. The Articles of Incorporation are signed by the incorporators.

CS&CL/CD PUB-8006 (02/2013)
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU
CORPORATIONS DIVISION
PO BOX 30054
LANSING MI 48909-7554

LARA is an equal opportunity employer/program. Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.