

Topic: Stock Information
 Question by: Rebecca Longfellow
 Jurisdiction: Indiana
 Date: November 19, 2014

Jurisdiction	Question(s)
	<p>I am wondering how many states enter stock information (number of shares) as part of the data entry for formation filings and change filings (amendments, mergers, etc.).</p> <p>If you enter the data, what value do you see with recording the information?</p> <p>Are there any issues encountered with entering information? Are filers required to determine if the assertions related to stock changes or votes are accurate?</p>
Manitoba	
Corporations Canada	
Alabama	
Alaska	
Arizona	<p>Arizona is like Washington. The shares info is provided on the articles and can be subsequently amended, and it is provided each year on the annual report, but it is not separately recorded in the system.</p>
Arkansas	
California	
Colorado	
Connecticut	<p>See additional comments below</p>
Delaware	
District of Columbia	<p>In DC we have always recorded stock information.</p> <p>If customer does not put the value, then we default it to \$1.</p> <p>We need par value since our filing fees for business corporations range depending on the total value.</p>

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Florida	<p>In Florida, the law requires the number of shares be included in the original articles. However, we do not index the number on our database.</p> <p>Our examiners are trained to look for content and accept statements at face value. We don't check to see if stock issues are accurate.</p>
Georgia	
Hawaii	<p>For a long time, Hawaii has been entering the corporation's stock information, the authorized capital stock and number of stock issued. Change in authorized capital stock is done on an amendment, correction, etc. and change in stock issuance is reported on the annuals. Document filers certify that the information is true and correct.</p>
Idaho	
Illinois	
Indiana	
Iowa	
Kansas	<p>We request that information, but we do not index.</p>
Kentucky	
Louisiana	<p>Louisiana is just like Florida.</p>
Maine	
Maryland	
Massachusetts	<p>Massachusetts does enter stock information. We enter the authorized, issue and outstanding shares as well as par value, if applicable.</p>
Michigan	
Minnesota	
Mississippi	
Missouri	

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Montana	<p>In Montana, we only require that a company has a minimum of 1 share of common stock. They can update the number of shares issued on the annual report if they wish, but not the number of authorized shares. We will note if the stock is common or preferred, and a par value if noted, but the default is None Stated or 0.00.</p> <p>If the company wishes to change the number of authorized shares or par value, that information can be amended.</p>
Nebraska	
Nevada	
New Hampshire	
New Jersey	
New Mexico	
New York	
North Carolina	<p>North Carolina collects the information by class, number of shares, the PV, and any notes. There is a check box if it is NPV,</p>
North Dakota	<p>In North Dakota, we enter the number of authorized shares, the class of shares, and the par value if any. This information is then pre-printed on our annual report forms since the annual reports must report the shares issues, etc. This has enabled us to identify corporations that have issued shares in excess of the authorized shares. This has been of value to our Securities Commission. We do not enter issued shares when annual reports are processed.</p> <p>Our authorized shares were previously the basis for the filing fee. We have since standardized our fees but continue to collect the data on authorized shares.</p>
Ohio	
Oklahoma	
Oregon	
Pennsylvania	<p>Pennsylvania follows the FL approach and stock share numbers are not indexed in a separate data field in our database. One must request copies of the filed documents to obtain stock information. In Pa, a corporation may be created on a stock or non-stock basis. If the stock type is chosen, we ask for the number of shares.</p>

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Rhode Island	<p>Rhode Island records Authorized and Issued shares for both domestic and foreign business corporations. Authorized shares are used in the calculation of the entity's license fee and corporate tax. Increases to authorized shares are recorded via amendment or merger; changes in issued shares are recorded on the annual report. Filers certify that the information is true and correct.</p>
South Carolina	
South Dakota	
Tennessee	<p>In Tennessee, Corporate Charters must list the number of shares the corporation is authorized to issue. We key this information into our database.</p>
Texas	
Utah	<p>Utah continues to enter that data if presented....</p>
Vermont	
Virginia	<p>Our charter fees, entrance fees and annual registration fees are based on the total number of authorized shares in the charter documents on file in our office. The authorized shares are entered in our system by class so they can be so listed on the pre-printed annual report, as prescribed by law. Par value is not captured in our system.</p>
Washington	<p>In Washington State the customer must provide the number of shares authorized and the class of shares (common/preferred), but we do not require share value information.</p> <p>The information is available on the document image, but we do not capture the data in our system.</p>
West Virginia	
Wisconsin	
Wyoming	

Additional comments:

CONNECTICUT:

In CT we have included the stock info in our data entry (and on our public registry). We did this because the number of stocks issued (and amendments thereto to issue more stock) will trigger a complicated statutory calculation to assess a franchise tax (the only tax administered through our agency – all others are administered by the Dep't of Revenue Services). The franchise tax assessment is based on a statutory graduated scale tied to the number of shares issued. Rather than allow human error to enter the picture at the complicated calculation and assessment phase, we felt it would be a far superior approach to hardwire the graduated scale into our system. So reviewers just enter the number of shares issued and the system calculates the franchise tax. So the advantages would be ease of use (simple data entry) and accuracy of calculation (an automatic function of the system).

As for verification – this shop maintains a ministerial role. The entity must set forth how many shares it has issued and we accept that statement as being consistent with the internal actions of the corporation's Board. We do not seek to verify, but the filer is filing under penalty of false statement, which is a crime (presently a misdemeanor). We enter what they give us.

Full text of email:

Salutations!

Indiana is in the process of defining the filing requirements for the new internal registration system for business entity filings. We are trying to determine if we should begin data entering stock information.

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Thanks in advance!

Rebecca Longfellow

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