

California LLC Incorporation Procedures and Fees

Unless otherwise mentioned, the quotation of U.S. California Limited Liability Company specifically refers that the Limited Liability Company (LLC) registration is in accordance with the California Revised Uniform Limited Liability Company Act.

Our basic package fee for the registration of an LLC in the State of California is USD1,300. This package fee covers our professional registration service, registered address, and registered agent service in California for one year, a standard operating agreement, and the payment of official registration fee to the California Secretary of State.

If the business name does not contain any restricted words, and the business activities to be carried out by your California LLC is not specially regulated, the LLC registration timeframe is about 8 business days. Rush filing service is unavailable in California.

In any case where your California LLC is to engage in a regulated business, including agriculture, alcoholic beverages, aviation, firearms, ammunition and explosives, fish and wildlife, commercial fisheries, maritime transportation, mining, and drilling and etc, additional licences or permits may be required. Kaizen can help you apply for those licences. Our fee for this service will be quoted upon request.

In addition, if your California LLC is to conduct business in other states, you will also need to register a foreign company from the local government. Kaizen can help you apply for those licences. Our fee for this service will be quoted upon request.

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1. California LLC Registration Services and Fees

Our fee for this California LLC registration package is USD1,300. Particularly, our fee covers the following services:

- (1) LLC Registration
 - (a) Answer your questions regarding the registration and maintenance of an LLC in California;
 - (b) Perform name availability search;
 - (c) Pay the registration filing fee to California Secretary of State;
 - (d) Standard Operating Agreement;
 - (e) Record minutes of the first meeting of the members;
 - (f) File Statement of Information within 90 days after registration;
 - (g) Compile minutes for opening a business bank account resolution, if any;
 - (h) Customize a corporate kit, including metal corporate seal, share certificate, register of members, register of managers, shares transfer ledger, etc.

- (2) Registered Address and Registered Agent for the first year

Kaizen will provide a registered address and a registered agent in California State for one year in compliance with the requirement of Secretary of State of California State for the purpose of registration of the company.

Notes:

- (1) Kaizen fees quoted above do not include any document delivery fee, if any.
- (2) Kaizen fees quoted above exclude the taxes. If you request a tax invoice, value-added tax at the prevailing rate may be charged and collected.

2. Other Relevant Services

No.	Description	Fee (USD)
1	EIN application (Note 1)	300
2	ITIN application (Note 2)	1000
3	Seller's permit application (Note 3)	300
4	State and local business license application (Note 4)	TBA
5	Federal business license application (Note 5)	TBA
6	Remote USA bank account introductory service (Note 6)	880 up
7	Provide mailing address (Note 7)	600/Year
8	Authentication for formation documents and certificate of incumbency (Note 8)	TBA

Note:

- (1) Employer Identification Number (EIN), also known as Federal Employer Identification Number (FEIN), or Federal Tax Identification Number (FTIN), is a tax identification number just like a Social Security Number (SSN) for your personal identification number. The purpose of this number is to facilitate tax collection and identification of employers. The EIN allows you to communicate with the Internal Revenue Service (IRS) in the dealing of all the tax matters of your California company. The EIN is also needed for bank account opening.

The EIN is issued by the Internal Revenue Service (IRS) upon application. The IRS normally takes around 10-15 business days to process an application. Expedited service is not available. Kaizen will notify you through email upon receipt of the EIN from the tax authority.

- (2) An Individual Taxpayer Identification Number (ITIN) is a unique identification number, which is like the Employer Identification Number (EIN), or Social Security Number (SSN) mentioned above, issued by the Internal Revenue Service. IRS issues ITINs to help foreigners to report their U.S. source income and file tax returns. The processing time is about 14 weeks, and it may take longer during tax season (Jan - April). Expedited service is not available. Kaizen will notify you through email once received the ITIN from the tax authority.
- (3) If your California LLC intends to sell or lease tangible personal property at retail or wholesale or offer certain taxable service and has an office/warehouse or sales representatives in California, then your California LLC is required to obtain a seller's permit from California Department of Tax and Fee Administration. The processing time is about 1 to 3 business days. Expedited service is not available. Kaizen will notify you through email once upon receipt of the seller's permit from the tax authority.
- (4) There is no need to obtain state and local business license if the business of your California LLC does not involve special industries and it will not hire employees or set up business office/warehouse at California. Otherwise, the LLC may be required to obtain certain state business license or permit. Please reach out to us for more detailed about these local city/county business license.
- (5) A California LLC is not required to apply for Federal Business License unless the business activities are regulated by the federal authority. The regulated business activities include agriculture, alcoholic beverages, aviation, firearms, ammunition and explosives, fish and wildlife, commercial fisheries, maritime transportation, mining and drilling, nuclear energy, radio and television broadcasting, transportation, and logistics. Kaizen can help your California LLC to apply for these federal licence and permit. Our fee for this service will be quoted upon request.
- (6) Kaizen can help you to open a business bank account remotely in the U.S. for your California LLC. Please notice that the representative (the manager) of the LLC may be required to be interviewed via phone or video by the bank officer(s) and obtain related bank account opening documents via email. Kaizen is limited to providing introductory and assistance services and does not guarantee the result of the bank account opening as it is the sole discretion of the bank to determine whether to accept an application or not.

Please note the U.S. business address proof and U.S. phone number of authorized responsible individuals may be required for bank account opening, our service fees **exclude** providing the above information for you. Our service fees for providing a U.S. business address and a U.S. phone number are USD600 and USD100 respectively.

- (7) Kaizen can provide a New York address as your business mailing address. The mailing address can be used to receive letters from banks, the government, and other related business letters for the LLC. If you have applied for the 6th point of the business address proof, Kaizen will give away this mailing address service for the first year. Kaizen will forward these letters to you through email (by default) or mail (if necessary). The actual delivery fee or postal is to be charged separately.
- (8) Kaizen provides the notary service for the formation documents, including authentication in California Secretary of State and Chinese Consulate General and Certificate of Incumbency. Our fee for handling the notarisation and apostille will be quoted upon request.

3. Payment Time and Method

Upon receipt of your confirmation of engagement, we will issue and send an invoice together with the wiring instructions to you for your settlement. When you arrange the payment, please put our invoice number of account number in the message section and then send email a copy of the remittance receipt to us for our records. Because of the nature of service, we require full payment in advance. And once the service is commenced, no refund of service fee will be made.

We accept cash, HKD check, TT and credit card through Paypal. An extra handling fee of 5% will be charged if paid by Paypal.

4. Fundamental Structure of an LLC in California

Minimum requirements for an LLC registration in California:

- (1) At least one incorporator, can be a member or officer;
- (2) At least one member, the member can be a legal entity or natural person, without nationality limitation;
- (3) At least one manager, the manager must be a natural person;
- (4) At least one officer (Chief Executive Officer, Chief Finance Officer, or Secretary), the officer must be a natural person;
- (5) The manager or officer can sign legal documents on behalf of the LLC and record minutes of meetings.

5. Materials Required for California LLC Registration

To register an LLC in California, the following documents should be prepared and provided to Kaizen:

- (1) Passport copy and residential address proof (utility bill, phone bill, or bank statement, etc for the most recent 3 months) in respect of each member, manager, officer (and Secretary, if requested) of the LLC. If the member is a legal entity, please provide the entity's registration document, and the identification and residential address proof of each member holding 25% or more shares in that company;

- (2) An organization chart of the member, if the member is another LLC;
- (3) Completed “California LLC order form” provided by Kaizen;
- (4) Certain business proof in the name of the California LLC, for example, a (goods) purchase and sales agreement or service agreement or a business plan or a company brochure.

The identification and address proof of the LLC’s member, manager, and officer should be certified or notarized by Kaizen, a local notary at the place of the member and manager, lawyer, CPA, or bank manager.

6. Registration Procedures of an LLC in California

The registration procedures and timeframe for an LLC in California are listed as follows:

No.	Description	Time (Days)
1	Kaizen was entrusted to handle the LLC registration in California. You should fill out the order form, “due diligence document”, and other documents (listed in part 6), then e-mail the whole package to Kaizen. Meanwhile, Kaizen service fees should be paid at this point.	Client’s schedule
2	Kaizen will verify the documents of the member, manager, and officer of the California LLC.	1
3	Kaizen will check the name availability at the California registration office.	1
4	Kaizen will compile the required documents, including Articles of Organization and standard operating agreement.	1
5	Kaizen will send the documents mentioned in (4) to you to review and confirm the accuracy.	1
6	Kaizen will submit the Articles of Organization to California registration office and pay the registration filing fee. The officer will review the document, and mail to Kaizen the sealed Articles of Organization with filing date and filing number within 8 business days if approved.	8
7	After confirming the successful registration of the LLC, Kaizen will customize the corporate kit, such as order the metal corporate seal, prepare register of managers, register of members, and share certificate, etc.	7
8	Kaizen will file the Statement of Information to California Secretary of State within 90 days after registration.	1
9	After the above procedures are completed, Kaizen will deliver all the documents to you at the address designated.	1

Note:

- (1) The schedule above assumed that no application for license or permit is required.

7. Documents for You After the Registration

After all the registration procedures, the following documents will be mailed to you for archives:

- (1) Articles of Organization sealed by California Secretary of State;
- (2) Standard Operating Agreement in California;
- (3) Statement of Information sealed by California Secretary of State;
- (4) Corporate seal;
- (5) The minutes book, register of members, register of managers, and stock transfer ledger (if any), etc;
- (6) Minutes of first meeting of the members;
- (7) 10 pieces of blank share certificate;
- (8) EIN letter, if any;
- (9) Certificate of Incumbency and certified copy of registration document, if any.

Kaizen will express the above documents to the address designated by the client. The above documents are also available for pick up in any Kaizen offices.

8. California LLC Annual Renewal

A California LLC should file a Statement of Information to California Secretary of State and pay franchise tax California Franchise Board each year. This is known as a basic annual renewal. Kaizen will handle the basic annual renewal for your California LLC for a fee USD900, including the provision of registered office, registered agent, and Statement of Information filing. Please note that this service fee does not include accounting, income tax filing, and at least USD800 franchise tax. We will send a renewal notice to you 2 months before the due date.

Other than the basic annual renewal stated above, a California LLC is also required to operate in compliance with the requirements of California Revised Uniform Limited Liability Company Act. For example, keeping proper books of accounts, filing an income tax return, and file an annual report, etc. Kaizen U.S. is a professional CPA firm and we offer complete compliance and business support services, such as bookkeeping, financial statement audit, filing a tax return, making payroll, etc. please reach out and discuss with our professional consultants for details.

If you need assistance or wish to obtain more information, please visit our official website at www.kaizencpa.com or contact us through the following:

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