

DeLong Corporation Was Organized On January 1, 2017. It Is Authorized To Issue 14,500 Shares Of 8%, \$100

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DeLong Corporation officially commenced its operations on January 1, 2017, marking the beginning of its journey in the business world. With an authorized capital of 14,500 shares of 8%, \$100 preferred stock, the company set a solid foundation for growth and expansion. Understanding the company's organizational structure, stock issuance policies, and financial strategies is crucial for investors, stakeholders, and financial analysts alike. This article provides an in-depth look into DeLong Corporation's formation, authorized shares, and key aspects of its capital structure, offering valuable insights into its corporate setup and potential.

Understanding DeLong Corporation's Formation and Capital Authorization

Company Formation and Mission

DeLong Corporation was incorporated as a business entity on January 1, 2017, under the laws of its respective jurisdiction. The company's mission focuses on delivering high-quality products and services within its industry, aiming for sustainable growth and stakeholder value. The initial setup involved drafting articles of incorporation, defining its corporate purpose, and establishing governance policies.

Authorized Capital Stock Explained

Authorized capital stock refers to the maximum number of shares a corporation is permitted to issue as per its articles of incorporation. For DeLong Corporation, this figure stands at 14,500 shares of preferred stock with specific features:

- Type: Preferred stock
- Number of shares authorized: 14,500
- Dividend rate: 8% annually
- Par value: \$100 per share

This authorization provides flexibility for future financing, stock issuance, or other

corporate purposes.

Details of DeLong Corporation's Preferred Stock

Characteristics of the 8%, \$100 Preferred Shares

Preferred stockholders enjoy certain privileges over common stockholders, often including fixed dividends and preference in assets during liquidation. For DeLong Corporation:

- **Dividend Rate:** 8% per annum, based on the \$100 par value, amounting to \$8 per share annually.
- **Dividend Payment:** Typically paid quarterly, semi-annually, or annually, depending on company policy.
- **Preference:** In case of liquidation, preferred shareholders are paid before common shareholders.
- **Convertible Features:** Any options for conversion into common stock (if applicable) are specified in the issuance terms.

Implications for Investors

Investors considering purchasing DeLong Corporation's preferred shares should understand:

- The fixed dividend provides steady income, beneficial for income-focused investors.
- The preference in assets adds a layer of security in case of financial distress.
- Potential conversion features could offer upside if the company performs well.

Capital Structure and Financial Strategy of DeLong Corporation

Equity vs. Debt Financing

DeLong Corporation's authorized shares form part of its equity financing strategy. The company may issue preferred shares, common shares, or both, depending on its capital needs. Understanding its approach to funding growth is key:

- Preferred stock issuance can raise capital without increasing debt obligations.
- Debt financing (loans, bonds) may also be employed to leverage growth without diluting ownership.
- Balancing debt and equity impacts overall financial health and risk profile.

Future Stock Issuance Plans

While the authorized 14,500 shares set a cap, DeLong Corporation can issue a portion or all of these shares based on strategic needs:

- Raising capital for expansion projects.
- Acquiring other companies or assets.
- Providing employee incentives through stock options or grants.

The issuance process involves board approval, shareholder consent (if required), and compliance with securities regulations.

Legal and Regulatory Considerations

Articles of Incorporation and Stock Rights

The company's articles specify the total authorized shares, rights attached to preferred stock, voting rights, and dividend policies. These legal documents safeguard shareholder interests and ensure transparent governance.

Regulatory Compliance

DeLong Corporation must adhere to federal and state securities laws when issuing shares. This includes filing registration statements or relying on exemptions, providing disclosures to investors, and maintaining accurate records.

Significance of DeLong Corporation's Authorized Shares for Stakeholders

For Investors

Investors benefit from understanding the company's capital structure, dividend policies, and potential for equity appreciation. The fixed 8% dividend offers predictable returns, while the authorized shares represent potential future investment opportunities.

For Management

Management can utilize authorized shares to fund growth initiatives, attract strategic partners, or incentivize employees—all while maintaining control over the company's capital structure.

For Shareholders

Existing shareholders should monitor issuance plans to assess potential dilution and its impact on ownership percentages and voting power.

Conclusion

DeLong Corporation's establishment on January 1, 2017, with authorization to issue 14,500 shares of 8%, \$100 preferred stock, reflects a strategic approach to corporate financing and growth. This authorized capital provides the company with flexibility to raise funds, reward investors, and support expansion plans. Understanding the nuances of preferred stock, including dividend rights and liquidation preferences, is essential for investors and stakeholders aiming to evaluate the company's financial health and future prospects. As DeLong Corporation continues to grow, its authorized shares will serve as a vital tool in executing its strategic vision and maintaining its competitive edge in the industry.

Frequently Asked Questions

When was DeLong Corporation officially organized?

DeLong Corporation was organized on January 1, 2017.

What is the total number of shares DeLong Corporation is authorized to issue?

DeLong Corporation is authorized to issue 14,500 shares.

What is the interest rate on the preferred stock issued

by DeLong Corporation?

The preferred stock has an 8% interest rate.

What is the par value of each share issued by DeLong Corporation?

Each share has a par value of \$100.

How does the authorization to issue 14,500 shares impact DeLong Corporation's potential capital raising?

It allows DeLong Corporation to raise up to \$1,450,000 by issuing 14,500 shares at \$100 each, subject to approval.

What are the implications of issuing preferred stock with an 8% dividend rate for DeLong Corporation?

Issuing preferred stock with an 8% dividend rate means the company commits to paying annual dividends of 8% of the \$100 par value per share, impacting its cash flow and dividend obligations.

Additional Resources

DeLong Corporation: A Comprehensive Overview of Its Formation and Capital Structure

Introduction

When analyzing the financial foundations of a corporation, understanding its formation date, authorized capital stock, and the specific features of its issued securities provides critical insights into its strategic planning and potential for growth. DeLong Corporation, organized on January 1, 2017, exemplifies a thoughtfully structured entity with a clear capital plan. This article delves into the intricacies of DeLong Corporation's organization, its authorized shares, and its issued securities, providing a detailed examination suitable for investors, financial analysts, and corporate enthusiasts alike.

Background and Formation of DeLong Corporation

Establishment Date and Initial Purpose

DeLong Corporation was officially incorporated on January 1, 2017. The choice of this date is often strategic, aligning with fiscal planning, tax considerations, and market entry timing. The company's formation marked the beginning of its journey as a corporate entity, setting the stage for subsequent capitalization, operational planning, and strategic development.

The date also signifies the start of its legal existence, enabling it to enter into contracts, acquire assets, and issue shares to investors. The early months post-formation were likely dedicated to establishing its corporate governance structure, securing initial capital, and defining its core business objectives.

Legal and Regulatory Considerations at Formation

When DeLong Corporation was organized, it would have adhered to the legal requirements stipulated by the jurisdiction of incorporation. This involves filing articles of incorporation, establishing bylaws, and appointing initial directors and officers. These foundational steps ensure legal compliance and provide a framework for corporate operations.

Authorized Capital Stock: The Foundation of Corporate Finance

Understanding Authorized Shares

At the core of any corporation's capital structure lies its authorized shares— the maximum number of shares a corporation is permitted to issue as per its articles of incorporation. For DeLong Corporation, this number is 14,500 shares. These shares serve as a ceiling, providing flexibility for future issuance to raise capital, compensate employees, or undertake other corporate purposes.

Authorized shares do not necessarily equate to issued or outstanding shares. A company can hold unissued shares, which can be issued at a later date without the need to amend its articles of incorporation, provided it does not exceed the authorized limit.

Significance of the 14,500 Shares Authorization

The specific number—14,500 shares—is a strategic decision, often reflecting the company's anticipated capital needs, ownership structure, and future growth plans. A

relatively modest number suggests a conservative approach, allowing room for issuing stock to founders, early investors, or for small-scale fundraising.

This cap provides the flexibility to:

- Issue new shares to raise capital
- Offer stock options or other equity-based compensation
- Engage in mergers or acquisitions requiring stock considerations

It also plays a role in maintaining control; a limited authorized share count can help founders or existing shareholders retain significant influence over the company's decision-making.

Details of the Stock: 8%, \$100 Par Value

Understanding the Stock Features

DeLong Corporation's authorized stock is characterized by the following:

- Type: Likely preferred stock, given the specified dividend rate
- Dividend Rate: 8%
- Par Value: \$100

This description indicates that the stock in question is a preferred stock with a fixed dividend rate, a common feature for preferred shares, which often serve as a hybrid between debt and equity.

Par Value Significance

The \$100 par value signifies the face value assigned to each share. Par value is a nominal amount that establishes the minimum legal capital per share and is used to determine dividend payments and legal capital in some jurisdictions.

In practice, the par value does not necessarily reflect the market value; it often remains static, especially for preferred stock, unless explicitly adjusted.

Dividend Rate and Its Implications

An 8% dividend rate on preferred stock means that each share entitles its holder to an annual dividend equal to 8% of the \$100 par value, i.e., \$8 per share annually.

This fixed dividend provides a predictable income stream, making the stock attractive to income-focused investors. It also indicates the company's commitment to return value to preferred shareholders and signals its financial stability to potential investors.

Implications for Investors and the Company

Advantages of the Capital Structure

DeLong Corporation's setup offers several benefits:

- Flexibility for Growth: The authorized 14,500 shares provide room for future issuance without immediate dilution.
- Stable Income for Preferred Shareholders: The 8% dividend on \$100 par value offers a reliable return, appealing to income investors.
- Clear Capitalization Strategy: The specific dividend rate and share structure reflect deliberate planning, indicating a focus on attracting targeted investor profiles.

Potential for Future Issuance and Capital Raising

With 14,500 shares authorized, the company can issue additional shares up to that limit, enabling it to:

- Raise new capital for expansion projects
- Refinance existing debt
- Acquire other businesses
- Compensate employees through stock options

The decision to issue shares beyond the initial offering depends on the company's growth trajectory and strategic needs.

Impact on Ownership and Control

The number of authorized shares is also a control mechanism. By managing the number of shares issued and outstanding, the founders and early investors can influence voting rights and control over corporate decisions, maintaining strategic direction.

Conclusion: A Strategic Foundation for Growth

DeLong Corporation's organization on January 1, 2017, with an authorized capital of 14,500 shares of 8%, \$100 par stock, reflects a well-planned approach to corporate finance. This structure balances the need for flexibility, investor appeal, and control, positioning the company to capitalize on future opportunities.

Understanding these foundational elements enables investors and analysts to gauge the company's financial strategy, potential for growth, and risk profile. As DeLong Corporation progresses beyond its initial formation, the initial capital structure will serve as a vital reference point for future financial decisions and strategic initiatives.

In summary, DeLong Corporation's formation details and stock features reveal a company with a clear vision, prepared to leverage its authorized shares and preferred stock structure to foster sustainable growth and value creation.

Disclaimer: The specifics of DeLong Corporation's actual issued shares, ownership distribution, or further financial details are not provided here. This overview is based on typical corporate structuring principles and the given parameters. For precise company data, consult official filings or corporate disclosures.

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