



California Corporate & Securities Law

Nevada's Share of Corporate Charters Leads 48 Other States!

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Recently, I came across this [blog posting](#) by Professor [Larry Ribstein](#) at the [University of Illinois College of Law](#) that discusses the role of Nevada in the market for corporate charters. He discusses this [article](#) in Boardmember.com and a more scholarly article by Professors [Michal Barzuza](#) and [David C. Smith](#).

Professors Barzuza and Smith note that Nevada is now the second most popular state for out-of-state incorporations, with 255 publicly traded corporations as of 2008. This puts Nevada far ahead of California which counted a total of only 135 publicly traded corporations.

The two professors, however, find that Nevada “attracts firms that have a large and significant likelihood of reporting financial results that later require restatement”.

Professor Ribstein takes a more positive view of Nevada, arguing “So far the Nevada story shows that there’s a significant demand for rules that reduce governance costs even in the face of strong pressures toward Delaware standardization.”

In this [article](#) that I wrote for the *Los Angeles Lawyer* magazine, I compare some of the key features of California, Delaware and Nevada corporate law. For more in-depth information and analysis of Nevada’s corporate law, see [Bishop & Zucker on Nevada Corporations and Limited Liability Companies](#).

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