

LAW FIRMS' ENTITY CHOICES

REFLECT APPEAL OF NEWER BUSINESS FORMS

ALLISON MARTIN-RHODES,
ROBERT W. HILLMAN, AND PETER TRAN

When Henry Ford commented that “any customer can have a car painted any color he wants so long as it is black,”¹ he may just as well have been describing the structural choices offered law firms through much of the last century. Lawyers associated in firm practice could choose any organizational form they wished, so long as it was a general partnership. To be sure, commercial enterprises had the choice of corporate or partnership forms, but professionals in practice were denied the option of incorporating, leaving the partnership as the only “choice.”

In the 1960s, development of the professional corporation (PC) as a means of extending tax advantages to professional service firms offered law firms the first alternative to the general partnership associational form.² The menu expanded dramatically a few decades later with the development of a whole host of limited liability options, most notably the limited liability partnership (LLP) and the limited liability company (LLC). By the turn of the



Law firms have been moving to new organizational forms, with their entity choices influenced by historical factors, short-term considerations, tax advantages, and limitations on potential personal liability.

EXHIBIT 1
Key Results of 2002 Survey

PC/PA	LLC	LLP	General Partnership
31,131	4,570	6,083	17,055
53%	8%	10%	29%

EXHIBIT 2
Key Results of 2011 Survey

PC/PA	LLC	LLP	General Partnership
47,381	20,921	9,913	14,559
51%	22%	11%	16%

century, lawyers enjoyed a robust set of choices for organizing their firms.

A survey conducted in 2002 offered the first comprehensive look at what firms actually were doing in the new era of enhanced associational choices.³ The survey revealed that firms were accepting new organizational options, but they were doing so at a somewhat slower pace than might be expected. Excluding sole proprietorships, PCs were the dominant form (53%), with general partnerships a distant second (29%). LLCs (8%) and LLPs (10%) significantly trailed more traditional organizational forms, although when the survey was limited to large law firms the LLP was the organizational form of choice.

With the passage of a decade, the present authors decided to update certain of the findings of the 2002 Survey to determine whether more experience with newer associational forms like the LLP and the LLC may have enhanced their popularity with law firms. The survey was conducted principally during 2011 (2011 Survey), although it was selectively updated more recently.

The key results of the two surveys are illustrated in Exhibits 1 and 2, with all data excluding sole proprietorships. The state-by-state data from the 2011 survey is presented in Exhibit 3, and information on the methodology used is provided in Exhibit 4.

The first alternative to the general partnership form that was offered law firms—the professional corporation—



shows, for reasons discussed below, remarkable stability and popularity. LLCs have surged in popularity, presumably at the expense of general partnerships. Interestingly, LLPs are the least popular associational form, and show little increase in popularity over the last decade. As noted above, the 2002 survey revealed a substantial increase in the use of the LLP form for larger firms; the 2011 survey did not break out firms by size, although there is little reason to believe that LLPs are any less popular today with larger firms.

Liability Limitation

With the near elimination of tax differences (discussed further below), limitations on personal liability are the primary motivation behind law firm movement away from general partnerships to newer associational forms. All

but the general partnership entity form provide some degree of protection, which raises the question why any general partnerships are left at all.

Although no entity form shields a lawyer from personal liability for his or her own professional negligence or that of lawyers that he or she immediately supervises, the PC, LLC, and LLP each afford some level of protection against vicarious liability for the professional negligence of other lawyers in the firm and, in most states, the business liabilities of the entity. The wholesale avoidance of vicarious liability has historically been viewed as anti-consumer, and for law firms most states have fashioned some form of override on the complete limitation. These statutes and regulations tend to take the form of security requirements that impose vicarious personal liability if the entity fails to maintain the required malpractice coverage. As discussed below, those regulations take many different, and often conflicting, forms.

ALLISON MARTIN-RHODES is a partner with Holland & Knight LLP, ROBERT W. HILLMAN is Professor of Law at the University of California, Davis, and PETER TRAN is an attorney in Portland, Oregon.



EXHIBIT 3
State-By-State Data from 2011 Survey

STATE	TOTAL	PC/PA	LLC	LLP	GP
ALABAMA	1543	673	534	80	256
ALASKA	181	98	54	2	27
ARIZONA	1737	966	654	30	87
ARKANSAS	561	307	137	23	94
CALIFORNIA	8177	3628	39	2410	2100
COLORADO	1941	1388	345	122	86
CONNECTICUT	1526	374	767	117	268
DELAWARE	122	37	38	17	30
D.C.	820	251	281	178	110
FLORIDA	9268	7654	799	201	614
GEORGIA	3144	1594	914	348	288
HAWAII	304	124	74	28	78
IDAHO	564	233	225	46	60
ILLINOIS	3767	2392	540	174	661
INDIANA	1052	401	113	169	369
IOWA	655	272	141	60	182
KANSAS	735	332	217	52	134
KENTUCKY	921	286	357	23	255
LOUISIANA	1698	607	671	113	307
MAINE	320	169	44	16	91
MARYLAND	1931	969	681	120	161
MASSACHUSETTS	2856	1314	335	478	729
MICHIGAN	4230	2367	1520	41	302
MINNESOTA	1579	918	401	123	137
MISSISSIPPI	817	242	382	29	164
MISSOURI	1825	699	828	74	224
MONTANA	338	201	61	43	33
NEBRASKA	434	226	33	29	146
NEVADA	661	422	74	47	118
NEW HAMPSHIRE	250	192	12	6	40
NEW JERSEY	2722	1058	861	165	638
NEW MEXICO	716	528	127	24	37
NEW YORK	6963	2757	1001	1869	1336
NORTH CAROLINA	2404	1048	859	234	263
NORTH DAKOTA	172	112	26	2	32
OHIO	2425	1077	602	196	550
OKLAHOMA	1167	632	276	36	223
OREGON	1129	662	172	169	126
PENNSYLVANIA	3080	1443	551	285	801
RHODE ISLAND	419	184	55	60	120
SOUTH CAROLINA	1735	751	785	63	136
SOUTH DAKOTA	180	64	19	46	51
TENNESSEE	1196	314	431	22	429
TEXAS	7003	3654	1248	1192	909
UTAH	571	341	131	12	87
VERMONT	257	148	42	17	50
VIRGINIA	2403	1326	748	87	242
WASHINGTON	2305	975	1086	104	140
WEST VIRGINIA	382	74	195	9	104
WISCONSIN	1330	712	355	106	157
WYOMING	298	185	80	16	17
2011 Survey Totals (Excluding SPs)	92814	47381 51%	20921 23%	9913 11%	14599 16%
2002 Survey Totals (Excluding SPs)	58839	31131 53%	4570 8%	6083 10%	17055 29%
2013 Survey Update Totals (Excluding GPs and SPs)	89456	50588	28450	10418	

Drivers of Entity Choices

What distinguishes one liability limiting entity from the other? After considering why a law firm might select one entity form over the other, the choice appears to have more to do with history and short-term considerations than anything else. Ultimately, the data does not shed much more light and cars are still pretty much all black, only now its jet black, midnight black, and onyx. Anecdotally, the authors' experience with emerging law firms suggests very little thinking at the for-

¹ Ford, *My Life and Work* (Doubleday, Page & Co., 1922).
² A 1961 ABA ethics opinion concluded that attorneys may practice through corporations if certain safeguards are met. See ABA Comm. on Professional Ethics, Formal Op. 303 (1961). For a brief discussion of the history of the professional corporation, see Hillman, *Hillman on Lawyer Mobility*, 2d ed. (Aspen Publish. Co., 2009), § 6.2.
³ See Hillman, "Organizational Choices of Professional Services Firms: An Empirical Study," 58 *Business Lawyer* 1387 (2003).

mation stage, with many firms reporting no idea why they selected one entity over the other, or indicating a mistaken premise.

The conclusions here are based, in part, on the assumption that small firms represent the vast majority of new law firm entities and are opening at a considerably higher rate than large firm formations and mergers. Most law firm entity choices are made in the start-up phase and therefore driven by start-up values and limitations.

Although it is in decline, the PC remains the most popular associational form for law firms. There are several possible reasons for this, including historical explanations. Traditionally, a principal reason for the creation of professional corporations was the desire to allow professionals to enjoy certain corporate tax benefits, principally higher pension plan contributions. The tax benefits spurred rapid adoption of the PC once this option became available. Although as is discussed some tax benefits continue to exist for the PC, the substantial and compelling early differences between partnerships and PCs no longer exist.

Less obvious considerations, however, argue for a different start-up form. In the PC, controlling the flow of compensation between salary and distributions provides some tax savings in payroll taxation and funding retirement programs. Corporations with fewer than 100 shareholders and which offer only one class of share may also take advantage of “check the box” options and elect to be taxed using the pass-through taxation model typical to partnerships. The tax benefits of a PC, however, generally only provide meaningful economic benefits to the lowest paid (under \$100,000), the highest paid (over \$400,000), and the shareholders closest to retirement. It also requires a degree of careful management of compensation flow that may be unrealistic in a growing entity, and is often just mismanaged in a small corporation.

There can be other unforeseen limitations with the PC choice, particularly as the law firm grows. For example:

- Pass-through taxation is available only for an S corporation, which

Complete Protection

Forty-two jurisdictions afford partners in LLPs “full shield” protection similar to the protection afforded members and managers in LLCs:

1. Alabama (Ala. Code § 10A-8-3.06 (2013)).
2. Alaska (Alaska Stat. Ann. § 32.06.306 (West, 2013)).
3. Arizona (Ariz. Rev. Stat. Ann. § 29-1026 (2013)).
4. Arkansas (Ark. Code Ann. § 4-46-306 (West, 2013)).
5. California (Cal. Corp. Code § 16306 (West, 2013)).
6. Colorado (Colo. Rev. Stat. Ann. § 7-64-306 (West, 2013)).
7. Connecticut (Conn. Gen. Stat. Ann. § 34-326 (West, 2013)).
8. Delaware (Del. Code Ann. tit. 6, § 15-306 (West, 2013)).
9. D.C. (D.C. Code § 29-603.06 (2013)).
10. Florida (Fla. Stat. Ann. § 620.8306 (West, 2013)).
11. Georgia (Ga. Code Ann. § 14-8-15 (West, 2013)).
12. Hawaii (Haw. Rev. Stat. § 425-117 (West, 2013)).
13. Idaho (Idaho Code Ann. § 53-3-306 (West, 2013)).
14. Illinois (805 ILCS 206/306 (2013)).
15. Indiana (Ind. Code Ann. § 23-4-1-15 (West, 2013)).
16. Iowa (Iowa Code Ann. § 486A.306 (West, 2013)).
17. Kansas (Kan. Stat. Ann. § 56a-306 (West, 2013)).
18. Maine (Me. Rev. Stat. tit. 31, § 1034 (2013)).
19. Maryland (Md. Code Ann., Corps. & Ass’ns § 9A-306 (West, 2013)).
20. Massachusetts (Mass. Gen. Laws Ann. ch. 108A, § 15 (West, 2013)).
21. Minnesota (Minn. Stat. Ann. § 323A.0306 (West, 2013)).
22. Mississippi (Miss. Code Ann. § 79-13-306 (West, 2013)).
23. Missouri (Mo. Ann. Stat. § 358.150 (West, 2013)).
24. Montana (Mont. Code Ann. § 35-10-307 (2013)).
25. Nebraska (Neb. Rev. Stat. § 67-418 (2013)).
26. New Jersey (N.J. Stat. Ann. § 42:1A-18 (West, 2013)).
27. New Mexico (N.M. Stat. Ann. § 54-1A-306 (West, 2013)).
28. New York (N.Y. P’ship Law § 26 (McKinney, 2013)).
29. North Carolina (N.C. Gen. Stat. Ann. § 59-45 (West, 2013)).
30. North Dakota (N.D. Cent. Code Ann. § 45-22-08.1 (West, 2013)).
31. Ohio (Ohio Rev. Code Ann. § 1776.36 (West, 2013)).
32. Oklahoma (Okla. Stat. Ann. tit. 54, § 1-306 (West, 2013)).
33. Oregon (Or. Rev. Stat. Ann. § 67.105 (West, 2013)).
34. Rhode Island (R.I. Gen. Laws Ann. § 7-12-26 (West, 2013)).
35. South Dakota (S.D. Codified Laws § 48-7A-306 (2013)).
36. Texas (Tx. Bus. Org. § 152.801 (2013)).
37. Utah (Utah Code Ann. § 48-1d-306 (West, 2013)).
38. Vermont (Vt. Stat. Ann. tit. 11, § 3226 (West, 2013)).
39. Virginia (Va. Code Ann. § 50-73.96 (West, 2013)).
40. Washington (Wash. Rev. Code Ann. § 25.05.125 (West, 2013)).
41. Wisconsin (Wis. Stat. Ann. § 178.12 (West, 2013)).
42. Wyoming (Wyo. Stat. Ann. § 17-21-306 (West, 2013)).

As to why there has been growth of the LLC over the LLP, the numbers partially reflect entities formed before the end of the partial shield era.



limits firm growth to 100 lawyers before the taxation system that a firm has come to understand is forced to change.

- Moving lawyers in and out of shareholder ranks is a cumbersome process involving stock redemption procedures.
 - Compensation is largely tied to an inflexible ownership percentage rather than to performance factors.
 - Corporate formalities can be burdensome and, when ignored, may put the firm's liability limitations at risk.
- Partnerships and LLCs, on the other hand, lack some of the PC's tax benefits but afford substantially more flexibility in financial management and movement of lawyers in and out of the organization. This flexibility is an asset to firm growth, which can be further facilitated with a thoughtful partnership agreement that contemplates expansion.

As between LLPs and LLCs, there is little, if any, reason to conclude that one form is preferable to the other. As the two forms were becoming available to law firms, many states afforded "full shield" or complete personal liability protections to the LLC, while the LLP often afforded only "partial shield" protection. Partial shield LLP statutes are falling out of favor and now exist in only nine states.⁴ Under the majority of modern schemes, LLPs and LLCs offer the same tax characteristics and the same liability protections.

State Regulatory Variation

The data varies widely among states despite largely indistinguishable core legal frameworks. One explanation for the variation is the differences in regulatory requirements associated with one form or the other, including the cost of filing fees.⁵ Most importantly, states almost universally require some form of professional malpractice insurance for liability limiting entities, but even within one state there may be differences among associational forms in the amount of required coverage or the steps involved in assuring compliance.

Inconsistent regulatory requirements present unforeseen difficulties for growing and expanding firms. Notwithstanding the finding that 39 such entities seem to exist in the state,

⁴ The nine states are: Kentucky (Ky. Rev. Stat. Ann. § 362.220 (West, 2013)), Louisiana (La. Rev. Stat. Ann. § 9:3431 (2013)), Michigan (Mich. Comp. Laws Ann. § 449.46 (West, 2013)), Nevada (Nev. Rev. Stat. Ann. § 87.150 (West, 2013)), New Hampshire (N.H. Rev. Stat. Ann. § 304-A:15 (2013)), Pennsylvania (15 Pa. Cons. Stat. Ann. § 8204 (West, 2013)), South Carolina (S.C. Code Ann. § 33-41-370 (2013)), Tennessee (Tenn. Code Ann. § 61-1-306 (West, 2013)), and West Virginia (W. Va. Code Ann. § 47B-3-6 (West, 2013)).

⁵ For example, Texas' LLP filing fee is \$200/general partner. However, Texas' LLC and PLLC filing fee is a flat \$300. West Virginia also requires different filing fees for LLPs and LLCs. The filing fee for West Virginia LLCs is \$250. The filing fee for West Virginia LLPs is \$100. Similarly, Delaware requires a \$200 filing fee for LLPs, but only requires a \$90 filing fee for LLCs.

⁶ See Cal. Corp. Code § 17701.04(b) and (e) (West, 2014) which expressly provide that the

statute does not confer authority to render professional services. The Business & Professions Code (which addresses the PC and the LLP), is silent on authorization or regulation of the law firm LLC. In the absence of express authorization in either statute, the California State Bar refuses to register the entity form to practice law in the state. See also New Mexico Formal Ethics Opinion 2009-1 which discusses whether law firm LLCs are permitted in New Mexico. Arguably, law firm LLCs are not permitted in New Mexico.

⁷ Cal. Corp. Code § 17540.8 (West, 2013)

⁸ Compare Cal. Rules of the State Bar Rule 3.158 and Cal. Corp. Code § 16956 (West, 2013).

⁹ See Exhibit 3. PCs grew from 47,381 in 2011 to 50,588 in 2013, an increase of 7%.

¹⁰ *Id.* LLCs grew from 20,921 to 28,450, an increase of 36%.

¹¹ *Id.* LLPs grew from 9,913 in 2011 to 10,418 in 2013, an increase of 5%.

California does not permit the LLC law firm form.⁶ A law firm that organized as an LLC in one state may expand into California only by affiliated entity or conversion.⁷ California also requires all shareholders in a PC to sign a personal guarantee as a form of securing malpractice obligations even though the state does not extend that same requirement to partners in an LLP.⁸ Similarly, some states require

materially different compliance obligations for one entity form over the other, making expansion expensive and administratively burdensome.

Potential Tax Implications

Compounding the difficulties discussed above are the tax implications of entity change. Moving between an LLC and LLP generally is tax neutral.

However the conversion of a professional corporation to an alternative form requires liquidation, which can be a significant tax event. For many, the PC is a decision where there is no turning back. Any change that winds up the corporation, including conversion necessitated by regulatory considerations or the dissolution of the firm for other opportunities or merger, can be prohibitively expensive.

EXHIBIT 4 Survey Methodology

The state-by-state survey of law firm entity types discussed in this article was based on the Martindale-Hubbell Database (M-H) that is available on LexisNexis and updated monthly. This survey was conducted from August to December 2011.

Absent one difference, the survey is identical in methodology to the search conducted in the 2002 survey. The surveys in 2002 produced results for five major groups. The sole proprietorship (SP) group was excluded from this updated survey however because sole proprietorships are not a true entity form and do not help to answer the question of what associational form law firms choose. This survey retains the other four major groups in the original survey:

1. PC/PA, which includes professional corporations and professional associations.
2. LLC, which includes (professional) limited liability companies.
3. LLP, which includes (professional) limited liability partnerships.
4. GP, which includes general partnerships. Although this updated survey does not include sole proprietorship data, for the purpose of consistency, this updated survey adopts the original survey's methodology in regards to distinguishing between general partnerships and sole proprietorships. General partnerships were defined as firms with multiple names in the firm name and no entity designation. Sole proprietorships were defined as firms with a single name in the firm name, or a single name plus the word "associates," "and Co.," or "group."

Each of these four categories group entities that are either nominal variations of a single entity type, or statutorily different entities that are otherwise similar. Whether it is the former or latter depends on the particular statutes of each state. For example, in Arizona, "professional corporation," "professional association," "service corporation," "limited," and "chartered" are all nominal variations of a single entity type—the professional corporation (Ariz. Rev. Stat. Ann. § 10-2215).

The main weakness of this survey is that only firms included in M-H are counted. The complete listing of firm profiles is found online, including on the LexisNexis M-H database, the source of this survey. While the M-H directory encompasses over "one million legal practices, firms, alliances, and services," because it is a voluntary directory, only law firms that choose to appear in it are included. It is impossible to know how many firms are not listed in M-H and thus excluded from this survey. It is likely that any inaccuracies in the M-H database are skewed to smaller law firms and sole proprietorships, which are less likely to maintain a listing in Martindale-Hubbell. Accordingly, because this updated survey focuses on only professional corporations and professional associations, limited liability companies, limited liability

partnerships, and general partnerships, any inaccuracies are likely minimal.

This survey was based on the "practice profiles" section of M-H, which traditionally is a more inclusive list than the "professional biographies" section. Furthermore, the survey was limited to only those listings in M-H that are labeled "main office." By excluding branch offices, this limitation avoids significant over-counting and treats a law firm with multiple offices as a single firm. National firms with multiple branches that do not have an official headquarters still have a "main office" in M-H, usually the largest or original office.

The specific entity searches were carried out by searching for all possible spelling variations of an entity type. The final search for each particular state was a search of all the remaining entries with no entity designation in the firm name. Because this final search was a negative search of all firm names that did not have the various entity spellings, the combined searches were exhaustive. If newly found entity spellings appeared in the final search, the initial entity searches were redone. The final search was fine-tuned until no entity designations remained in the results. However, this methodology results in entity firms that do not mention their entity type in the "name" segment of their Martindale-Hubbell listing being mistakenly counted as general partnerships or sole proprietorships. The potential for error in entity-designated firms being counted as general partnerships or sole proprietorships is relatively small. The error occurs when a firm such as "X & Y, Professional Corporation" lists itself in Martindale-Hubbell as "X&Y" with the next line being "a professional corporation."

The final search was broken into two sub-searches: firms listed in M-H as having more than one attorney in the firm name and all other firms. Firms that listed one name and included the word "associates," "and Co.," or "group" were counted as part of the latter search. The latter search consists of all sole proprietorships, and is omitted from this updated survey. The results of the former search (firms listed in M-H as having more than one attorney in the firm name) were then checked by eye to determine how many entries appeared to be general partnerships rather than sole proprietorships. This was done under the assumption that a firm with multiple last names in the firm name was a partnership. If there was only a single name, then the entry was counted as a sole proprietorship. However, this methodology results in the GP category being under inclusive because a general partnership with only a single name in the firm name would be mistakenly placed in the SP category and excluded from this survey. The potential for error in having general partnerships be counted as sole proprietorships is relatively small. Several smaller states were checked entry-by-entry to find the approximate degree of error.

Conclusion

Not unlike when preparing pre-nuptial agreements and wills, planning for the unforeseen is a key consideration in the responsible formation of a law firm. Not every form is right for every firm, but at a bare minimum the lawyers should invest the same thought and planning into the decision as they encourage of their clients.

On the surface, the most surprising revelation of the 2011 survey is the enduring appeal of the professional corporation as an organizational form. Some of the reasons for this were discussed above, including the costs associated with converting a PC into a more modern form of association. Over time, the PC form can be expected to decline in usage, in part because newer firms with the ability to choose

forms *without conversion costs* likely will favor LLP and LLC options over the PC. Still, a selective update of the 2011 survey in 2013 reveals that the number of PCs increased in the most recent two-year period.⁹ The rate of increase was less than that of LLCs¹⁰ but greater than that of LLPs.¹¹ All of which suggests that reports of the death of the PC have been greatly exaggerated. ■

After the raw data was compiled, it was organized based on state statutes. For example, if a state statute stated that “chartered” or “ltd.” were possible designations of a professional corporation, then all such entities were combined into the category labeled “PC/PA.” [*see note] Some abbreviations may represent different entities in different states. For example, “PLC” might be ‘professional law corporation,’ akin to a PC, or it might be ‘professional limited company,’ akin to an LLC.

All data is presented as found, including statistical “noise.” This noise includes results showing that a specific entity type occurs far less than 1% of the time in a particular state. Such statistical noise where an entity type occurred so rarely, that it might be an error, includes:

- Alaska: LLP (0.3%).
- New Hampshire: LLP (0.8%).
- North Dakota: LLP (0.6%).
- West Virginia: LLP (0.9%).

Occasionally, such results suggest the mistaken inclusion of out-of-state law firms, formerly allowable entity types being grandfathered in, or simple mistakes in this extremely large database.

In summary, the survey resulted in a data set that is an exhaustive list of all firms listed in M-H that were law firm “main offices.” The limitations of this methodology are:

1. Firms that are not listed in M-H are not included.
2. Firms that do not follow the general M-H format of designating one office, even that of a single office firm as the “main office,” are not included.

3. Entity firms that do not mention their entity type in the “name” segment of their M-H listing are mistakenly counted in the categories of GP or SP.
4. Partnerships which have only a single last name in the firm name are mistakenly counted in SP and consequently omitted from the updated survey data.
5. Firms that mistakenly register more than once in the M-H database are counted more than once.
6. Firms that dissolve, merge, or are no longer active are included if still listed in the M-H database (Martindale-Hubbell only removes law firms from the M-H database if law firms inform them to do so).

Practice Profiles Survey 2013 Supplement

Recently, a more limited survey was conducted to see if there have been any significant associational shifts in the past two years. This 2013 supplement updated three major categories:

1. PC/PA, which includes professional corporations and professional associations.
2. LLC, which includes (professional) limited liability companies.
3. LLP, which includes (professional) limited liability partnerships.

The 2013 supplement’s methodology is identical to the methodology used in the updated survey and the original 2002 survey. However, the final “negative” search of all firms was not conducted for the 2013 Supplement. Only specific entity searches were carried out for each state. The 2013 supplement does not include data for general partnerships and sole proprietorships.

* State groupings by entity type are listed below. For each state, the first grouping is for the PC/PA category, the second for the LLC category, and the third for the LLP category. For example, in Arizona, “PC/PA/Ltd./Chtd.” means that the various forms and abbreviations of “professional corporation,” “professional association,” “limited,” and “chartered” were all grouped together in the PC/PA category. “LLC/PLC/PLLC” means that the various forms and abbreviations of “limited liability company,” “professional limited company,” and “professional limited liability company” were all grouped together in the LLC category. “LLP/PLLP” means that the various forms and abbreviations of “limited liability partnership” and “professional limited liability partnership” were all grouped together in the LLP category. Ala.: PC/PA, LLC, LLP; Alaska: PC/Inc., LLC; Ariz.: PC/PA/Ltd./Chtd., LLC/PLC/PLLC,

LLP/PLLP; Ark.: PC/PA/Ltd., PLC/PLLC, LLP; Cal.: PC/LC/PLC/Inc., LLC, LLP; Colo.: PC/PA, LLC/PLLC, LLP; Conn.: PC, LLC, LLP; Del.: PC/PA, LLC, LLP; D.C.: PC/PLC/Chtd., LLC/PLLC, LLP; Fla.: PA/PC/Inc./Chtd., LLC/LC/PL/PLC/PPL, LLP; Ga.: PC/PA, LLC/LC, LLP; Haw.: PC/LC; LLC/LLLC; LLP; Idaho: PC/PA/Chtd., LLC/PLLC, LLP; Ill.: PC/PA/Ltd./Chtd., LLC, LLP; Ind.: PC/PA, LLC, LLP; Iowa: PC, LLC/PLC/LC, LLP; Kan.: PC/PA/Chtd., LLC/LC, LLP; Ky.: PSC/Chtd., LLC/PLC/PLLC, LLP; La.: PC/PA/PLC/LC/Ltd./Inc., LLC/PLLC, LLP; Me.: PC/PA, LLC, LLP; Md.: PC/PA/Ltd./Chtd., LLC/PLLC, LLP; Mass.: PC/PA, LLC, LLP; Mich.: PC/PA/Inc., PLC/PLLC, LLP; Minn.: PC/PA/Chtd./Ltd., LLC/PLC/PLLC, LLP/PLLP; Miss.: PC/PA/Ltd., PLLC/PLC, LLP; Mo.: PC/PA/Chtd., LLC/LC, LLP/LP; Mont.: PC/Ltd., LLC/PLLC, LLP/PLLP; Neb.:

PC/PC LLO, LLC, LLP; Nev.: PC/Ltd./Chtd./Inc., LLC/PLC, LLP; N.H.: PC/PA, LLC/PLLC, LLP; N.J.: PC/PA/Chtd., LLC, LLP; N.M.: PC/PA/Ltd./Chtd., LLC/LC, LLP; N.Y.: PC/PA, LLC/PLLC, LLP; N.C.: PC/PA, LLC/PLLC, LLP/PLLP; N.D.: PC/PA/Ltd./Chtd., LLC, LLP/PLLP; Ohio: LPC/LPA/Ltd./Inc., LLC/PLLC, LLP/PLL; Okla.: PC/PA/Inc., LLC/PLC/PLLC, LLP/PLLP/PLP; Or.: PC, LLC/PLC, LLP; Pa.: PC/PA/Ltd./Inc., LLC/PLLC, LLP; R.I.: PC/Ltd./Inc., LLC, LLP; S.C.: PC/PA, LLC/PLLC, LLP; S.D.: PC, LLC/PLLC, LLP; Tenn.: PC/PA, LLC/PLC/PLLC, LLP/PLLP; Tex.: PC/PLC/PA/Ltd./Inc., LLC/LC/PLLC, LLP/LP; Utah: PC, LLC/LC/PLC, LLP; Vt.: PC/LPC/Ltd./Inc., LLC/PLC/PLLC, LLP; Va.: PC/PA/Ltd./Inc., LLC/LC/PLC/PLLC, LLP/LP; Wash.: PC/PS/PSC/Inc., LLC/PLLC, LLP/PLLP/PL; W. Va.: LC, PLLC, LLP; Wis.: SC/Ltd./Chtd., LLC/PLC, LLP; Wyo.: PC, LLC/LC, LLP.