



Par Value for a Startup Company's Stock

Source:

<http://startuplawyer.com/incorporation/par-value-for-a-startup-companys-stock>

Par value is the minimum price that a corporation can issue its shares. While I typically see par values of either \$1 or “no par value” when looking at new client startups that have incorporated on their own, I typically recommend that a startup corporation’s Common Stock par value be set at \$0.0001 to as low as \$0.00001.

My recommendation is based on my belief that [startups should authorize 10,000,000 shares of common stock](#) upon filing the its charter. The startup will then typically issue about 4,000,000 to 6,000,000 shares to its initial set of founders.

Therefore, if your startup issues 4,000,000 shares with a \$0.0001 par value to its initial founders, the minimum the founders would have to collectively pay (with cash or with cash & intellectual property) for those shares is \$400.

About The Author

Ryan Roberts is a startup lawyer and represents technology companies through all phases of the startup process, including incorporation, seed & venture financings, and exit transactions. Click [here](#) to learn more about his practice.