



### Secretary of State Business Filings Q4 2020 Data Analysis Summary

- Employment rebounded strongly from May through October, but stalled in November and December.
- The recession has had a wide and varied impact on industries and communities.
- New entity filings continued to post strong gains in the fourth quarter.
- Following the downturn, new entity filings began increasing the week of May 11.
- Existing entity renewals and entities in good standing remained stable.

#### COLORADO INDICATORS

#### EMPLOYMENT FORECASTS

##### Employment



vs. prior quarter



vs. prior year

##### Existing Entity Renewals



vs. prior quarter



vs. prior year

##### New Entity Filings



vs. prior quarter



vs. prior year

##### Unemployment



vs. prior quarter



vs. prior year



Q1 2021 vs. Q4 2020

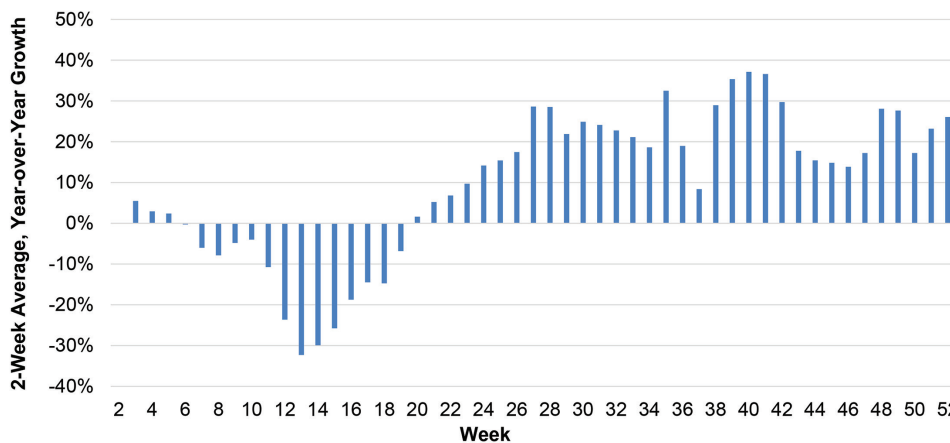


Q1 2021 vs. Q1 2020



Q2 2021 vs. Q1 2021

### New Entity Filings, Year-Over-Year



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## Secretary of State Business Filings Q4 2020 Data Analysis Summary

### Slowing GDP recovery, and gap remains.

After increasing at a seasonally adjusted annual rate (SAAR) of 33.4% in Q3 2020, GDP growth slowed to 4% in Q4 2020. Compared to Q4 2019, GDP declined 2.5% year-over-year in Q4 2020, according to the Bureau of Economic Analysis (BEA). The GDP increase in Q4 was primarily driven by a continued rebound in personal consumption and investment, that was partly offset by a decrease in government spending and a growing trade imbalance. GDP is projected to continue to post gains in Q1 2021, but total output will remain below the pre-recession peak.

### Nation added back 12.3 million jobs.

The nation lost 22.2 million jobs in March and April, but added back 12.5 million jobs from May through November before losing 140,000 jobs in December. The year-over-year decline stood at -9.4 million jobs in December 2020, a year-over-year decrease of 6.2%, according to data from the Bureau of Labor Statistics. From the peak in February 2020, employment remained down 9.8 million jobs, or 6.5% in December. The employment rebound slowed in each consecutive month since June, but declined in December.

In Colorado, 342,700 job losses were recorded from February through April, and 216,500 jobs were added back from May through October. While Colorado added back jobs every month from May through October, job losses resumed in November and December for a combined loss of 25,000 over the two months. Employment remained down 150,900 year-over-year (-5.4%), ranking Colorado 26th. The largest annual percent declines continued to come from Leisure and Hospitality, Mining and Logging, and Other Services.

Initial jobless claims in Colorado encountered a second surge in the fourth quarter that continued into January, spiking to over 25,000 the week of January 2, 2021—the highest level since May. Continued jobless claims in Colorado remained well above the 2019 average of 18,590, with claims sitting at 85,849 in late January. The unemployment rate peaked at 12.2% in April, then decreased

to 6.4% in November before increasing to 8.4% in December—the 47th-highest rate in the country. The U.S. unemployment rate descended to 6.7% in December after reaching 14.8% in April.

**Colorado's economy stronger than average.** Colorado's economy fell 1.4% year-over-year in Q3 2020, but rebounded strongly from Q2, ranking the state 5th and 9th, respectively. Colorado employment growth ranked the state 26th, and the unemployment rate, 48th. The state ranked 7th for population growth and 8th for the pace of population growth. While the state ranked 12th for per capita personal income, it ranked 48th for per capita personal income growth, and 5th for labor force growth.

Home price growth accelerated in Q3. The FHFA Purchase-Only Home Price Index increased 4.6% from Q3 2019 to Q3 2020, a pace slower than the national average.

According to the Baker Hughes Rig Count, the number of rigs in Colorado increased from 6 in late December to 8 in January, but was down from 22 the same week in January 2020. The average WTI oil spot price was down 10% in January 2021 compared to January 2020, but increased 10% from December to January.

Retail gasoline prices remained

depressed since the recession began. At the end of January, prices were down 8.1% year-over-year.

The Consumer Price Index in the Denver-Aurora-Lakewood region increased 2% (compared to 1.2% nationally) for the full year 2020. Core inflation (all items less food and energy) increased 2.3% in Colorado.

### New entity filings illustrate entrepreneurship.

Total new entity filings increased 22.1% year-over-year in Q4 2020, but fell 10.5% quarter-over-quarter. A total of 34,630 new entities were filed in Q4 2020, and 134,373 in the twelve months ending in Q3.

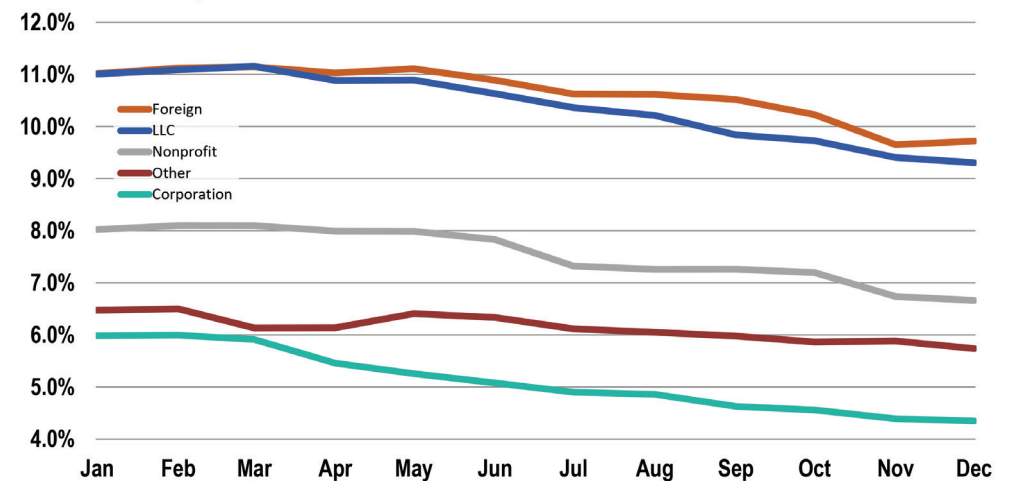
**Existing entity renewals record strong quarter.** Existing entity renewals in Q4 2020 were 148,019, an 11.5% increase year-over-year. In the twelve months ending in Q4, entity renewals increased 7%.

### Colorado business leaders' confidence closer to neutral ahead of Q1 2021; more positive looking to Q2.

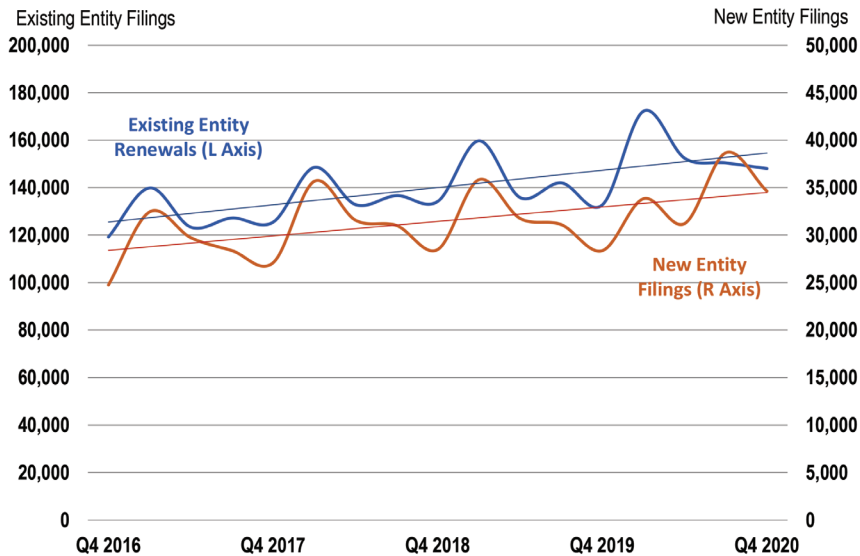
The Leeds Business Confidence Index (LBCI) remained at 47.9 ahead of Q1 2021, but increased well into positive territory (59.5) ahead of Q2 2021. Business leaders expressed short-term pessimism due to the ongoing pandemic, but noted optimism due to the rollout of the

## Delinquent Entities

Year-over-Year Change



## Existing Entity Renewals and New Entity Filings



Note: trendlines based on a year-over-year percent change.

## Business Filings Overview

### Continued improvement in filings in Q4.

New entity filings and existing entity renewals recorded strong continued improvement in Q4. The Q4 new entity filings were up 22.1% year-over-year, and the 12-month total new entity filings increased 5.7%. The Q4 existing entity renewals increased 11.5%, and the 12-month existing entity renewals increased 7% year-over-year.

Entities in good standing continued the upward climb, being only briefly interrupted by the pandemic in March. Delinquencies also increased for the quarter.

	Q4 2020	Q3 2020	Q4 2019	Percent Change over Prior Year		5-Year CAGR <sup>a</sup>	
<b>New Entity Filings</b>							
Domestic Limited Liability Company	26,909	30,170	21,619	24.5%	▲	9.2%	▲
Domestic Nonprofit Corporation	871	1,001	872	-0.1%	▼	2.7%	▲
Domestic Corporation	3,511	4,271	2,520	39.3%	▲	6.6%	▲
Other Entity Types	3,339	3,236	3,360	-0.6%	▼	4.8%	▲
Total New Entity Filings	34,630	38,678	28,371	22.1%	▲	8.2%	▲
Total New Entity Filings - 12 mo. trailing	134,373	132,109	127,079	5.7%	▲	5.5%	▲
<b>Existing Entity Renewals</b>							
Domestic Limited Liability Company	94,494	94,346	83,281	13.5%	▲	7.4%	▲
Domestic Nonprofit Corporation	10,898	11,747	10,234	6.5%	▲	1.9%	▲
Domestic Corporation	25,694	25,023	24,211	6.1%	▲	0.0%	▲
Other Entity Types	16,933	19,289	15,028	12.7%	▲	7.0%	▲
Total Existing Entity Renewals	148,019	150,405	132,754	11.5%	▲	5.4%	▲
Total Existing Entity Renewals - 12 mo. trailing	610,261	607,806	570,367	7.0%	▲	5.6%	▲
<b>Other Business Filings</b>							
Dissolution Filings	10,043	8,458	9,291	8.1%	▲	8.2%	▲
Dissolution Filings - 12 mo. trailing	36,734	36,771	35,014	4.9%	▲	8.6%	▲
Trademarks	895	904	906	-1.2%	▼	1.6%	▲
Trademarks - 12 mo. trailing	3,610	3,595	3,582	0.8%	▲	2.4%	▲
Trade Names	10,186	11,736	9,273	9.8%	▲	1.4%	▲
Trade Names - 12 mo. trailing	44,010	43,782	43,050	2.2%	▲	0.2%	▲
<b>Entities in Good Standing</b>							
Corporation	128,114	125,804	124,512	2.9%	▲	0.6%	▲
Foreign	85,111	83,334	81,238	4.8%	▲	6.5%	▲
Limited Liability Company	525,980	507,668	482,876	8.9%	▲	8.1%	▲
Nonprofit Corporation	52,617	51,895	51,396	2.4%	▲	2.2%	▲
Other Entity Types	11,779	11,687	11,788	-0.1%	▼	2.0%	▲
Total Entities in Good Standing	803,601	780,388	751,810	6.9%	▲	6.0%	▲
<b>Delinquencies</b>							
Corporation	132,538	132,123	127,012	4.4%	▲	5.6%	▲
Foreign	38,698	38,405	35,270	9.7%	▲	10.2%	▲
Limited Liability Company	464,830	460,915	425,259	9.3%	▲	11.2%	▲
Nonprofit Corporation	24,876	24,804	23,322	6.7%	▲	7.9%	▲
Other Entity Types	13,985	13,916	13,226	5.7%	▲	6.4%	▲
Total Delinquencies	674,927	670,163	624,089	8.1%	▲	9.7%	▲

<sup>a</sup> Compound Annual Growth Rate.

## New Entity Filings & Existing Entity Renewals

### New business filings posted strong annual increase in Q4.

New entity filings increased 22.1% year-over-year, but slipped 10.5% over the prior quarter. While Q4 tends to be the lowest quarter for new filings each year, Q4 was the second-highest quarter for filings in 2020. The four-quarter rolling sum of filings, which removes seasonality, recorded a 5.7% increase in new entities year-over-year and a 1.7% increase quarter-over-quarter.

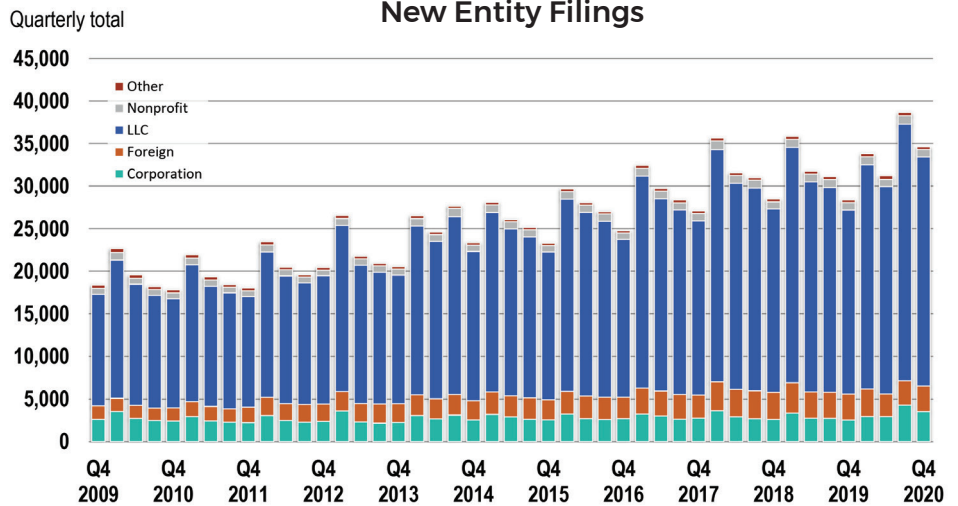
### Business renewals posted annual growth in Q4.

There were 148,019 renewals in Q4 2020, an increase of 11.5% year-over-year, but a decline of 1.6% over the previous quarter. Using a four-quarter rolling sum to remove seasonality, renewals demonstrated an annual increase of 7% and a quarterly increase of 0.4%.

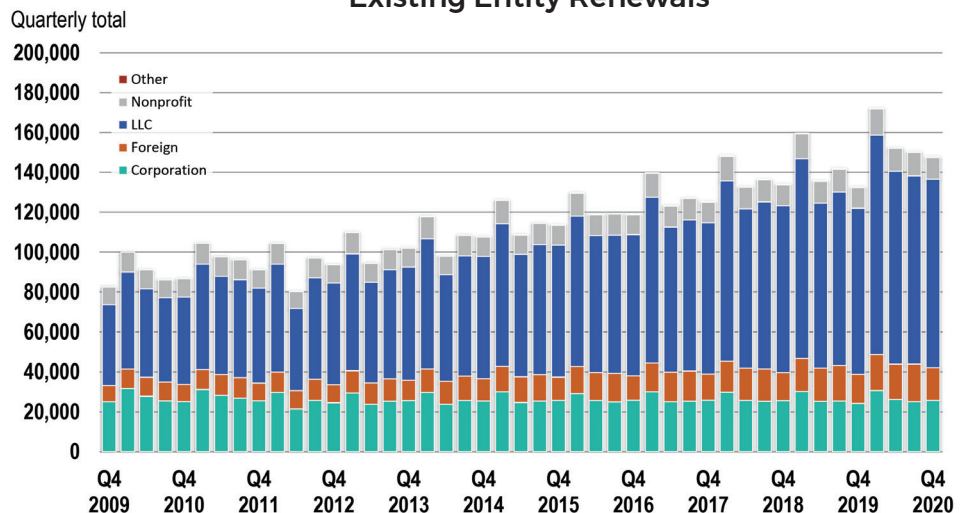
### Q4 increase in the number of businesses in good standing.

Total entities in good standing increased 3% from Q3 2020 to Q4 2020, and 6.9% year-over-year, continuing a general upward trajectory. Over the quarter, nearly all entity types recorded an increase in good standing.

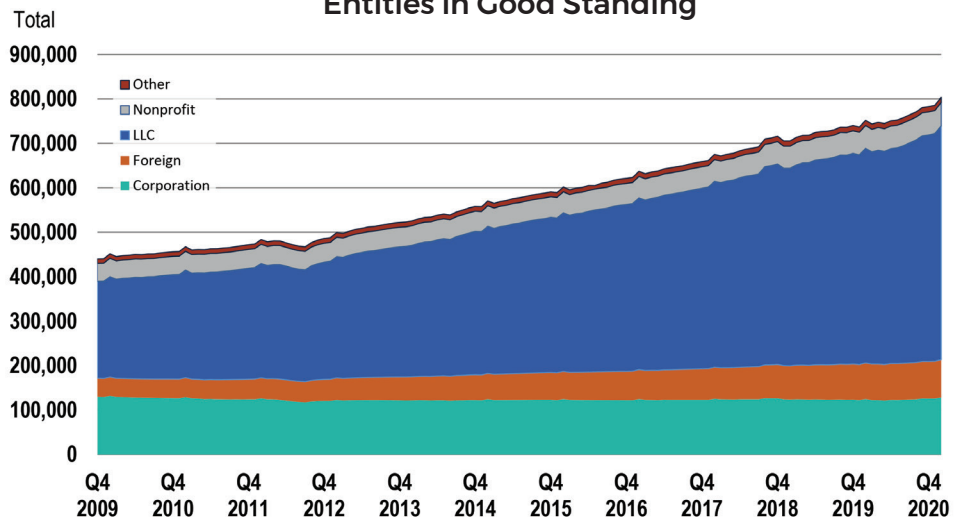
## New Entity Filings



## Existing Entity Renewals



## Entities in Good Standing

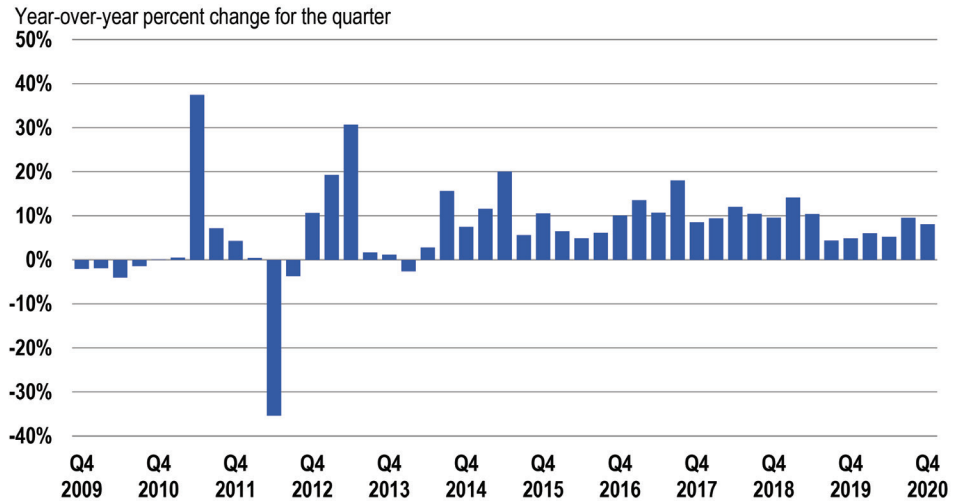


## Dissolutions, Trade Names, & Trademarks

### Annual increases in dissolution filings.

A total of 10,043 businesses dissolved in Q4 2020, a 8.1% increase from the previous year, and an 18.7% increase from Q3. The 12-month trailing total of dissolution filings—36,734—was up 4.9% year-over-year, but decreased 0.1% quarter-over-quarter. The spike in dissolutions during the last recession occurred in Q2 2011, after the official end of the recession.

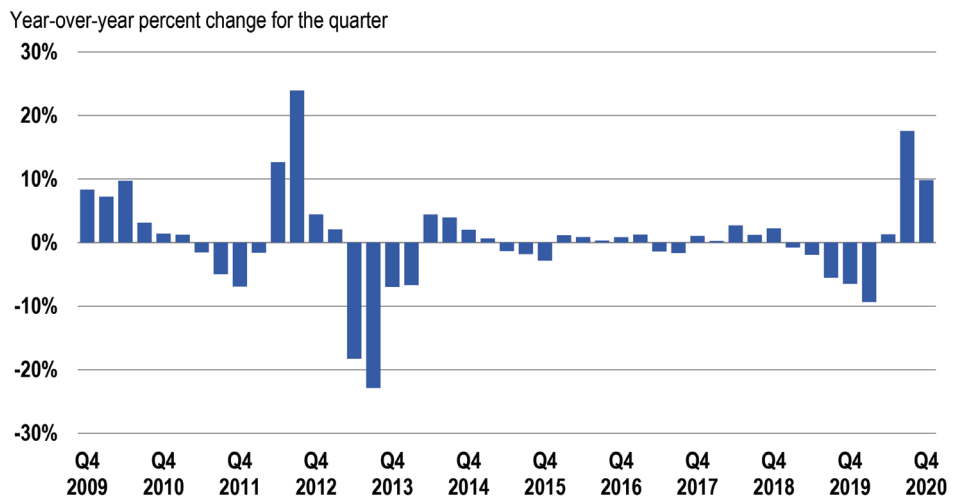
### Dissolution Filings



### Modest increase in trade name filings.

Trade name filings increased year-over-year, but declined over the prior quarter. The quarter ended with 10,186 trade name filings, an increase of 9.8% over the prior year but a decrease of 13.2% over the prior quarter. Entities must file a statement of trade name when operating under any name other than their true name.

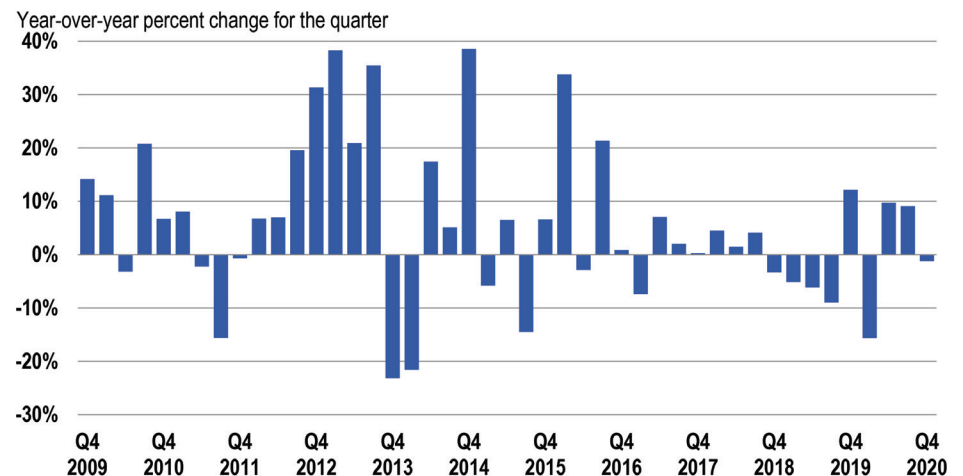
### Trade Name Filings



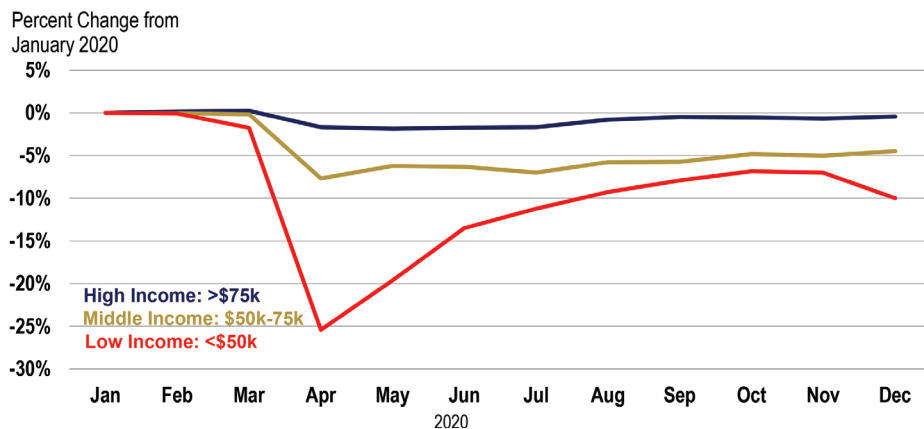
### Trademark filings stalled in Q4.

Trademark filings decreased year-over-year in Q4 2020. There were 895 trademark filings in Q4, a 1.2% decrease from the prior year, and a 1% slip from Q3 2020. Using a 12-month trailing sum to adjust for seasonality, filings increased 0.8% year-over-year and 0.4% over the quarter. Trademarks protect the symbols and words used in commerce.

### Trademark Filings



### Colorado Employment by Wage Group



Source: Bureau of Labor Statistics CES (Seasonally Adjusted). Note: Wage terciles are determined by calculating the average annual wage for each industry as of Q1 2020 and grouping each industry's total employment in a tercile.

### Colorado Economic Indicators

The recession has had differing impacts on industries, communities, and wage earners. According to the Bureau of Labor Statistics, the tourism industry was one of the hardest hit, recording the greatest job losses in the state. The tourism industry also tends to pay below-average wages in the state. Collectively, industries paying less than \$50,000 per employee shed 25% of jobs from January to April, and remained down 10% in December. High-wage industries shed 1.8% of jobs early in the pandemic, and were down just 0.4% in December from the peak in January.

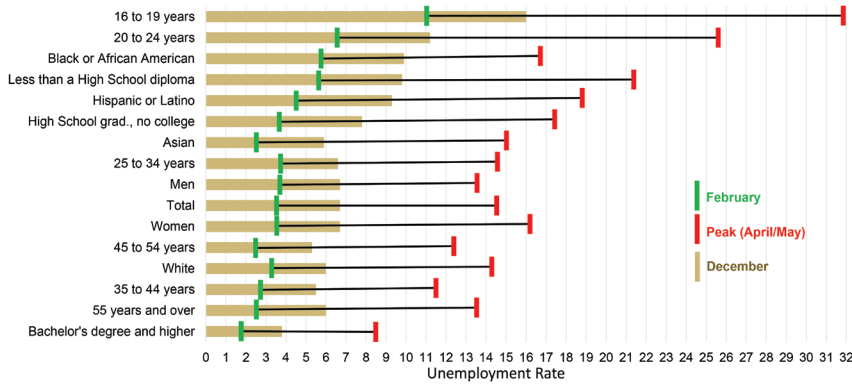
	Current Period	3 Months Prior	Percent Change over Prior Period	Annual Percent Change	5-Year CAGR <sup>a</sup>
<b>Wealth &amp; Income</b>					
Personal Income (billions of dollars)	368.3	379.6	-3.0%	3.9%	5.2%
Colorado Sales Tax Receipts, 12 mo. trailing (billions of dollars)	3.2	3.2	1.1%	3.5%	4.4%
Retail and Food Services Sales, 12 mo. trailing (millions of dollars)	226,786.8	225,434.8	0.6%	1.5%	4.3%
Food Services and Drinking Places Sales, 12 mo. trailing (millions of dollars)	-	12,098.9	-100.0%	-100.0%	-100.0%
Sales Expectations (LBCI)	51.5	52.5	-1.9%	-4.7%	-2.5%
Profit Expectations (LBCI)	48.7	48.8	-0.3%	-6.6%	-2.5%
<b>Business Outlays</b>					
Annual Wages Per Employee (\$)	62,513	61,820	1.1%	5.7%	3.6%
Hiring Expectations (LBCI)	49.9	48.0	4.0%	-1.4%	-1.9%
Capital Expenditures Expectations (LBCI)	46.8	44.7	4.6%	-7.6%	-4.6%
Retail Gasoline Price (dollars per gallon)	2.43	2.30	5.7%	-8.1%	5.8%
<b>Economic Overview</b>					
Real Quarterly GDP (billions of chained 2012 dollars)	354.2	331.7	30.1%	-1.4%	2.7%
Employment (in thousands)	2,662.6	2,667.0	-0.2%	-5.4%	0.7%
Unemployment Rate <sup>b</sup>	8.4%	6.4%	2.0%	5.9%	4.9%
Initial Jobless Claims	10,720	6,071	76.6%	395.4%	31.5%
Continuing Jobless Claims	85,849	105,759	-18.8%	277.6%	26.6%
Building Permits, Number of Units, 12 mo. trailing	45,506	42,938	6.0%	7.7%	8.9%
Valuation (millions of dollars), 12 mo. trailing	11,042	10,355	6.6%	7.6%	9.8%
Foreclosures Filings, Number of Units	274	1,396	-80.4%	-79.8%	-34.6%
Number of Sales	61	307	-80.1%	-80.6%	-43.5%
FHFA Purchase-Only Home Price Index	514	496	3.7%	7.4%	8.1%
Private Firms	212,955	211,627	0.6%	2.8%	3.2%
Rotary Rig Count	8	4	100.0%	-63.6%	-18.3%
Total Business Bankruptcy Filings	91	95	-4.2%	2.2%	-5.8%
Chapter 7	61	68	-10.3%	-11.6%	-9.9%
Chapter 11	23	22	4.5%	53.3%	8.9%
Chapter 13	6	3	100.0%	100.0%	8.4%
State Economy Expectations (LBCI)	46.9	48.9	-4.2%	-9.0%	-4.6%

Sources in order as metrics appear and dates in parentheses indicate most recent data at time of publication: Bureau of Economic Analysis, Quarterly Personal Income (SA) (Q3 20); Colorado Department of Revenue, Office of Research and Analysis (NSA) (11/20); Leeds School of Business, Leeds Business Confidence Index (LBCI) (Q1 21); Colorado Department of Labor and Employment, QCEW (NSA) (20 2); U.S. Energy Information Administration, Weekly Retail Gasoline and Diesel Prices (01/25/21); Bureau of Economic Analysis, (SAAR) (Q3 20); Bureau of Labor Statistics, CES (SA) (12/20); Bureau of Labor Statistics, LAUS (SA) (12/20); U.S. Department of Labor, Employment and Training Administration (NSA) (01/23/21); Census Bureau, New Privately Owned Housing Units Authorized (NSA) (11/20); Colorado Division of Housing, Foreclosure Report (Q2 20); FHFA Purchase-Only Home Price Index (SA) (Q3 20); Bureau of Labor Statistics, QCEW (Q2 2020); Baker-Hughes (01/29/21); Administrative Office of the U.S. Courts (Q3 20); Leeds School of Business, Leeds Business Confidence Index (LBCI) (Q1 21).

<sup>a</sup>Compound Annual Growth Rate. <sup>b</sup>Percentage point change.

## National Economic Indicators

### National Unemployment Rate



The recession had varying impacts on demographic groups. Youth (ages 16-19 and 20-24) recorded the highest spike in unemployment during the recession. By race, Black or African American populations recorded higher rates of unemployment than White or Asian populations; women recorded higher rates than men; and people with a high school diploma recorded a higher rate of unemployment than people with a bachelor's degree.

Source: Bureau of Labor Statistics.

	Current Period	3 Months Prior	Percent Change over Prior Period		Annual Percent Change		5-Year CAGR <sup>a</sup>	
<b>Wealth &amp; Income</b>								
Personal Income (billions of dollars)	19,576	19,916	-1.7%	▼	4.3%	▲	4.3%	▲
Retail and Food Services Sales, 12 mo. trailing (billions of dollars)	6,258.2	6,188.5	1.1%	▲	0.6%	▲	3.2%	▲
Food Services and Drinking Places Sales, 12 mo. trailing (billions of dollars)	618.8	652.6	-5.2%	▼	-19.2%	▼	-0.2%	▼
S&P 500	3,849.6	3,465.4	11.1%	▲	16.8%	▲	15.4%	▲
Annual Wages Per Employee	60,896	59,705	2.0%	▲	4.6%	▲	4.0%	▲
<b>Business Outlays</b>								
Consumer Price Index	261.8	260.2	0.6%	▲	1.3%	▲	1.9%	▲
Core Inflation (All Items Less Food & Energy)	270.1	269.3	0.3%	▲	1.6%	▲	2.0%	▲
Shelter	328.2	326.9	0.4%	▲	1.8%	▲	3.0%	▲
Retail Gasoline Price (dollars per gallon)	2.48	2.23	10.9%	▲	-4.5%	▼	5.1%	▲
<b>Economic Overview</b>								
Real Quarterly GDP (billions of chained 2012 dollars)	18,780	18,597	4.0%	▲	-2.5%	▼	1.4%	▲
Employment (in thousands)	142,624	141,774	0.6%	▲	-6.2%	▼	-0.1%	▼
Unemployment Rate <sup>b</sup>	6.7%	7.9%	-1.2%	▼	3.2%	▲	1.7%	▲
Initial Jobless Claims (4-Week Moving Average)	914,000	797,000	14.7%	▲	315.5%	▲	25.8%	▲
Continuing Jobless Claims (4-Week Moving Average)	0	7,222,000	-100.0%	▼	-100.0%	▼	-100.0%	▼
Building Permits, Number of Units, 12 mo. trailing	1,434,700	1,405,700	2.1%	▲	3.5%	▲	3.9%	▲
Valuation (millions of dollars), 12 mo. trailing	300,452	288,169	4.3%	▲	9.8%	▲	6.3%	▲
FHFA Home Price Index	293.2	284.4	3.1%	▲	7.8%	▲	6.2%	▲
Rotary Rig Count	378	282	34.0%	▲	-52.5%	▼	-9.9%	▼
Total Business Bankruptcy Filings	5,521	5,154	7.1%	▲	-1.3%	▼	-2.7%	▼
Chapter 7	2,914	2,705	7.7%	▲	-18.6%	▼	-6.0%	▼
Chapter 11	2,106	2,042	3.1%	▲	52.5%	▲	4.1%	▲
Chapter 13	270	202	33.7%	▲	-39.9%	▼	-12.5%	▼
National Economy Expectations (LBCI)	43.5	44.5	-2.2%	▼	-5.3%	▼	-2.9%	▼

Sources in order as metrics appear and dates in parentheses indicate most recent data at time of publication: Bureau of Economic Analysis, Quarterly Personal Income (SA) (Q4 20), U.S. Census Bureau (NSA) (12/21), Yahoo Finance (1/19/21), Bureau of Labor Statistics, QCEW (NSA) (Q2 2020); Bureau of Labor Statistics, All Urban Consumers, U.S. City Average (SA) (12/21); U.S. Energy Information Administration, Weekly Retail Gasoline and Diesel Prices (1/25/21); Bureau of Economic Analysis (SAAR) (Q4 20); Bureau of Labor Statistics, CES (SA) (12/21); Bureau of Labor Statistics (SA) (12/21); U.S. Department of Labor, Employment and Training Administration (SA) (1/16/21); Census Bureau, New Privately Owned Housing Units Authorized (NSA) (12/21); FHFA Purchase-Only Home Price Index (SA) (Q3 20); Baker-Hughes (1/22/21); Administrative Office of the U.S. Courts (Q3 20); Leeds School of Business, Leeds Business Confidence Index (LBCI) (Q1 21).

<sup>a</sup>Compound Annual Growth Rate. <sup>b</sup>Percentage point change.

## COVID-19 High-Frequency Data

Due to the lagging nature of macroeconomic data, most data cannot capture the real time impact of COVID-19. However, there are several high-frequency indicators that can point to the economic toll the pandemic is having on the nation and in Colorado.

The amount of COVID-19 cases in the U.S has increased 30% over the past month and daily deaths have been at record highs throughout January, while cases in Colorado have increased 18.2%. The running forecast of real U.S. GDP growth for Q1 2021 is projecting an estimated 5.2% at an annualized rate, continuing a strong rebound in GDP growth seen in Q3 and Q4 2020, based on current available data and the GDPNow Model from the Federal Reserve Bank of Atlanta. Total job openings in the U.S. decreased 1.9% month-over-month in November 2020, and are up 1.3% year-over-year, marking the first annual increase observed in 2020, according to JOLTS. COVID-19 has continued to have a large effect on the activity of people, with passenger counts at TSA checkpoints down 55.9% as of January 31 compared to the prior year, and DIA passenger traffic down 45.9% as of November 1 compared to the prior year. According to Google's Community Mobility Reports, the amount of visitors at retail stores and recreation venues, grocery and pharmacy stores, transit stations, and workplaces continue to be down substantially as of January 26 from the 5-week period January 3 - February 6, 2020 in both Colorado and the nation. Restaurant reservations in Colorado were up year-over-year on January 31 for the first time since the pandemic, while reservations for the nation were still down 23.5%. Reservations in Colorado have observed a large jump in January from the prior month, likely due to reduced indoor dining restrictions.

	As of	Current Period	Prior Month	Percent Change over Prior Month	Annual Percent Change
<b>National</b>					
GDPNow Forecast (Q1 2021)	1/29/21	5.2%	-	-	-
JOLTS Job Openings ('000)	11/1/20	6,527	6,652	-1.9%	1.3%
TSA Checkpoint Travelers	1/31/21	859,039	805,990	6.6%	-55.9%
Covid-19 Cases	1/30/21	25,639,234	19,689,234	30.2%	-
<b>Mobility<sup>a</sup></b>					
Retail & Recreation	1/26/21	-28.0%	-27.0%	-1 pp	-
Grocery & Pharmacy		-17.0%	-18.0%	1 pp	-
Parks		-27.0%	-12.0%	-7 pp	-
Transit Stations		-44.0%	-31.0%	-13 pp	-
Workplaces		-35.0%	-18.0%	-17 pp	-
Residential		13.0%	7.0%	6 pp	-
OpenTable Reservations <sup>b</sup>	1/31/21	-23.5%	-60.8%	37 pp	-
<b>Colorado</b>					
Covid-19 Cases	1/30/21	395,016	334,082	18.2%	-
DIA Passengers ('000)	11/1/20	2,869	3,315	-13.5%	-45.9%
<b>Mobility<sup>a</sup></b>					
Retail & Recreation	1/26/21	-41.0%	-31.0%	-10 pp	-
Grocery & Pharmacy		-26.0%	-17.0%	-9 pp	-
Parks		-49.0%	-13.0%	-36 pp	-
Transit Stations		-52.0%	-27.0%	-25 pp	-
Workplaces		-41.0%	-16.0%	-25 pp	-
Residential		17.0%	7.0%	10 pp	-
OpenTable Reservations <sup>b</sup>	1/31/21	31.9%	-61.8%	94 pp	-

Sources in order as metrics appear and dates in parentheses indicate most recent data at time of publication: GDP Now, Federal Reserve Bank of Atlanta (01/29/21); Job Opening and Labor Turnover Survey (JOLTS), Bureau of Economic Analysis (11/01/20); TSA, Department of Homeland Security (01/31/21); USA Facts (01/30/21); Google COVID-19 Community Mobility Reports (01/26/21); OpenTable (01/31/21); Denver International Airport (11/01/20)

<sup>a</sup>Shows movement trends of people by region and across different categories of places. The headline number compares mobility for the report date to the baseline mobility during the 5-week period Jan 3-Feb 6, 2020 as a percentage difference.

<sup>b</sup>Year-over-year change in seated diners at restaurants on the OpenTable network. Includes online reservations, phone reservations, and walk-ins.

## Secretary of State Business Filings

Businesses are established under several different entity types. The most commonly formed is a **domestic limited liability company** (DLLC), blending structures from both corporations and partnerships/sole proprietorships. DLLCs provide owners with protection from personal liability and also offer benefits from the effects of pass-through income taxation. As an example, Indigo Partners is the parent company of Frontier Airlines, a low-cost carrier headquartered in Denver.

**Domestic corporations** (DCs) are the second-most popular business filing received by the Secretary of State. DCs provide owners with limited liability, similar to DLLCs, and business must be conducted in the state in which it was formed. Coors Brewing Company is a well-known DC in Colorado.

A third entity type is a **domestic nonprofit corporation** (DNC). DNCs differ from DLLCs and DCs in that they are formed not for profit and

pursue an agenda of social responsibility. Building a Better Colorado operates as a DNC with the goal of facilitating conversation between Colorado voters to improve the state government.

**Public benefit corporations** create a framework for companies that seek to solve social and environmental problems while benefiting their shareholders. Group14 Engineering, which provides sustainable energy and environmental solutions for buildings, is an example of this type of corporation in Colorado.

**Foreign entities**, or business entities registered in a different state, are authorized to transact business or conduct activities in the state of Colorado. According to the Colorado Secretary of State, all foreign entity types are functionally equivalent to their domestic counterparts. Simple Energy Inc. is an example of a foreign entity in Colorado.