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CORPORATION CERTIFICATE PRINTING

How to Simplify Compliance With State Laws in Special Circumstances



Standard clauses for printed certificates required by corporation laws..... P. 1
How to order multiple class certificates..... P. 4

Corporation laws in most states require special language on share certificates in certain circumstances, for instance, transfer restrictions, preferences and multiple classes.

Listed below are standard clauses already standing in type which can be printed on your share certificates, whether you order a corporate outfit or the certificates only. You need only request "Clause No. _____" in your order. Clauses in sections 1 through 6 may be used if no specific state clause (Section 7) obtains.

The additional charge for printing a standard clause is **\$10.50**. This charge is minimal when compared to the cost and unprofessional appearance of typing or rubber-stamping the clauses, or to the risk of issuing certificates without the required language. If you order online, one clause is free.

We can also print a special clause in your own language on the share certificates. The additional charge is **\$20.00** for a clause of up to 50 words and **\$30.00** for up to 100 words. Provide copy in Word, .rtf or.txt file.

Special Text Certificates

Stock options, national bank, co-operative, municipal bond, corporate bond, foreign corporation, membership, public corporation, association, FHA, script, warrants and certificates with logos and pictures are just a few of the varieties we produce.

A large selection of our own and Goes borders in-stock enable us to give you rapid service. To order, furnish specimen, typewritten copy, copy of certificate of incorporation, amendment, etc. To obtain specimens from our file, let us know what type of certificate you need.

STANDARD CLAUSES

**One standard clause FREE with
corporate outfits ordered online!**

1. Restrictions on transfer

General

1A The shares represented by this certificate are subject to restrictions on transfer. A copy of the restrictions will be furnished by the corporation to the holder of this certificate upon written request and without charge.

Articles of Incorporation

1B Transferability of the shares represented by this certificate is restricted by the Articles of Incorporation. The corporation will furnish to any shareholder of record upon request and without charge a full statement of the restrictions.

1C The transfer of the shares of the corporation is restricted by the Articles of Incorporation, a copy of which is on file at the office of the corporation.

1D Transfer subject to restrictions in the Articles of Incorporation.

Certificate of Incorporation

1E Transferability of the shares represented by this certificate is restricted by the Certificate of Incorporation. The corporation will furnish to any shareholders of record upon request and without charge a full statement of the restrictions.

1F The transfer of the shares of the corporation is restricted by the Certificate of Incorporation, a copy of which is on file at the office of the corporation.

1G Transfer subject to restrictions in the Certificate of Incorporation.

Bylaws

1H Transferability of the shares represented by this certificate is restricted by the Bylaws. The corporation will furnish to any shareholders of record upon request and without charge a full statement of the restrictions.

1J The transfer of the shares of the corporation is restricted by the Bylaws, a copy of which is on file at the office of the corporation.

1K Transfer subject to restrictions in the Bylaws.

Shareholders' Agreement

1L Transferability of the shares represented by this certificate is restricted by the Shareholders Agreement. The corporation will furnish to any shareholders of record upon request and without charge a full statement of the restrictions.

1M The transfer of the shares of the corporation is restricted by the Shareholders Agreement, a copy of which is on file at the office of the corporation.

1N Transfer subject to restrictions in the Shareholders Agreement.

Articles of Organization

1P Transferability of this certificate is restricted by the Articles of Organization. The company will furnish upon request and without charge a full statement of the restrictions.

Operating Agreement

1Q Transferability of this certificate is restricted by the Operating Agreement. The company will furnish upon request and without charge a full statement of the restrictions.

Certificate of Formation

1R Transferability of this certificate is restricted by the Certificate of Formation.
The company will furnish upon request and without charge a full statement of the restrictions.

Certificate of Organization

1S Transferability of this certificate is restricted by the Certificate of Organization.
The company will furnish upon request and without charge a full statement of the restrictions.

2. Multiple classes of shares

General

2A The corporation will furnish to any shareholders upon request without charge a full statement of the designation, relative rights, preferences and limitations of each class of shares and series of shares authorized to be issued.

With authority of the board of directors to divide share into classes

2B The corporation will furnish to any shareholders, upon request and without charge, a full statement of the designation, relative rights, preferences and limitations of the shares of each class and series authorized to be issued, and of the authority of the board of directors to divide the shares into classes or series and to determine and change the relative rights, preferences and limitations of any class or series.

Voting power vested in Class A only

2C Each class of authorized shares of the corporation are identical in all respects except that the Class A Common shares have the sole voting power of the corporation and the Class B Common shares have no voting power.

Preference

2D The Common shares of the corporation are subject, in all respects, to the prior rights of the holders of Preferred shares as provided in the Certificate of Incorporation.

2E The Common shares of the corporation are subject, in all respects, to the prior rights of the holders of Preferred shares as provided in the Articles of Incorporation.

3. Close Corporation

General

3A **A CLOSE CORPORATION**

With transfer restrictions

3B A Close Corporation subject to transfer restrictions.
A copy of the restrictions will be provided without charge on written request.

Management by Shareholders'

3C The business and affairs of the corporation shall be managed by its shareholders.

4. Pre-emptive rights

4A There are no pre-emptive rights.

5. Securities Act: Certificates Not registered

5A The shares represented by this certificate have not been registered under the Securities Act of 1933. These shares have been acquired for investment and not with a view to distribution or resale, and may not be mortgaged, pledged, hypothecated, or otherwise transferred without an effective registration statement for such shares under the Securities Act of 1933 or an opinion of counsel for the corporation that registration is not required under such act.

5B The shares represented by this certificate have not been registered under the Securities Act of 1933. The shares have been acquired for investment and may not be transferred unless (i) a Registration Statement with respect to the shares shall be effective under the Securities Act of 1933 and there shall have been compliance with applicable state law or (ii) the corporation shall have received a "no action" letter from the Securities and Exchange Commission covering such transfer and the equivalent ruling or letter pursuant to applicable state law, each in form satisfactory to the corporation or (iii) the corporation shall have received an opinion of legal counsel satisfactory to it that no violation of such act, or other applicable law, will be involved in such transfer.

5C The shares represented by this certificate have not been registered under any federal or state securities law. They have been acquired for investment and may not be transferred without an effective registration statement pursuant to such laws or an opinion of legal counsel satisfactory to the corporation that registration is not required.

5D The membership units represented by this certificate have not been registered under any federal or state securities law. They have been acquired for investment and may not be transferred without an effective registration statement pursuant to such laws or an opinion of legal counsel satisfactory to the company that registration is not required.

6. Professional Corporations, Professional Associations and Associations

6A **A PROFESSIONAL CORPORATION**

6B **A PROFESSIONAL ASSOCIATION**

Note: The text and assignment on a corporation certificate is not appropriate for an association. We supply a certificate with association text and assignment if you order Clause 6B or 6C. The charge is \$27.50 extra. There is no separate charge for the standard clause.

6C **AN ASSOCIATION**

Note: Extra charge, \$27.50. See 6B above.

7. Specific state clauses

California

Small Offering Exemption. Sec 25102(h), Cal. Corp. Code: order clause 7CA1. Alternatively, select the Close Corporation certificate with 7CA1 and 7CA2 at no additional charge. Limited Offering Exemption, Sec. 25102(f), Cal. Corp. Code, does not require a special printed legend. However, you may wish to order our standard certificates with clause 5CA, which is similar to 5C above, without charge. Professional corporation certificates for each profession are available, see 7CA3.

5CA The shares represented by this certificate have not been registered under any federal or state securities law. They have been acquired for investment and may not be transferred without an effective registration statement pursuant to such laws or an opinion of legal counsel satisfactory to the corporation that registration is not required.

California (continued)

7CA1 IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES.

7CA2 This Corporation is a Close Corporation. The number of holders of record of its shares of all classes cannot exceed Any attempted voluntary inter vivos transfer which would violate this requirement is void. Refer to Articles, Bylaws and any agreements on file with the Secretary of the Corporation for further restrictions.

7CA3 Professional Corporations

Note: The Corporations Code and Regulations for each profession require special printing of professional share certificates. We have developed special California Professional Share Certificates for each profession containing the appropriate legends. Provide us with the specific profession and our catalog number from the following list and we will print your certificates with the appropriate legend. There is an extra charge of \$29.95 for each corporate outfit or certificate order for these professional certificates

- | | | |
|---|---|---|
| <input type="checkbox"/> 3.1 Accountancy | <input type="checkbox"/> 3.7 Licensed Clinical Social Worker | <input type="checkbox"/> 3.13 Physical Therapy |
| <input type="checkbox"/> 3.2 Acupuncture | <input type="checkbox"/> 3.8 Marriage, Family or Child Counseling | <input type="checkbox"/> 3.13A Physicians' Assistants |
| <input type="checkbox"/> 3.2A Architects | <input type="checkbox"/> 3.9 Medical | <input type="checkbox"/> 3.14 Podiatry |
| <input type="checkbox"/> 3.3 Audiology | <input type="checkbox"/> 3.9A Nursing | <input type="checkbox"/> 3.15 Psychology |
| <input type="checkbox"/> 3.4 Chiropractic | <input type="checkbox"/> 3.10 Optometric | <input type="checkbox"/> 3.16 Shorthand Reporting |
| <input type="checkbox"/> 3.5 Dentistry | <input type="checkbox"/> 3.11 Osteopathic | <input type="checkbox"/> 3.17 Speech Pathology |
| <input type="checkbox"/> 3.6 Law | <input type="checkbox"/> 3.12 Pharmacy | <input type="checkbox"/> 3.18 Veterinarian |

Delaware

7DE1 The Corporation will furnish without charge to each stockholder who so requests, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Georgia

7GA1 The rights of shareholders in a statutory Close Corporation may differ materially from the rights of shareholders in other corporations. Copies of the Articles of Incorporation and Bylaws, shareholders' agreements, and other documents, any of which may restrict transfers and affect voting and other rights, may be obtained by a shareholder on written request to the corporation.

Maryland

7MD1 The transfer of stock of a Professional Corporation is restricted by the Maryland Professional Service Corporation Act and is subject to further restriction imposed from time to time by the licensing unit. Stock of a Professional Corporation is also subject to a statutory compulsory repurchase obligation.

Massachusetts

7MA1 First refusal option of corporation to purchase stockholders shares, printed on reverse side. **Note: Extra charge \$9.95.**

Missouri

7M01 The rights of shareholders in a statutory Close Corporation may differ materially from the rights of shareholders in other corporations. Copies of the Articles of Incorporation and Bylaws, shareholders' agreements, and other documents, any of which may restrict transfers and affect voting and other rights, may be obtained by a shareholder on written request to the corporation.

Montana

7MT1 The rights of shareholders in a statutory Close Corporation may differ materially from the rights of shareholders in other corporations. Copies of the Articles of Incorporation and Bylaws, shareholders' agreements, and other documents, any of which may restrict transfers and affect voting and other rights, may be obtained by a shareholder on written request to the corporation.

Nevada

7NV1 The rights of shareholders in a Close Corporation may differ materially from the rights of shareholders in other corporations. Copies of the Certificate of Incorporation, Bylaws, shareholders' agreements, and other documents, any of which may restrict transfers of stock and affect voting and other rights, may be obtained by a shareholder on written request to the corporation.

Nevada

7NV2 Must be printed on both sides, extra charge \$22.40

"The sale, assignment, transfer, pledge or other disposition of this security is ineffective unless approved in advance by the Nevada gaming commission. If at any time such commission finds that an owner of this security is unsuitable to continue to have an involvement in gaming in such state, such owner must dispose of such security as provided by the laws of the State of Nevada and the regulations of the Nevada gaming commission thereunder. Such laws and regulations restrict the right under certain circumstances: (a) to pay or receive any dividend or interest upon any such security; (b) to exercise, directly or through any trustee or nominee, any voting right conferred by such security; or (c) to receive any remuneration in any form from the corporation for services rendered or otherwise."

New Jersey

7NJ1 A full statement of the designations, relative rights, preferences and limitations of the shares of each class and series authorized to be issued, so far as the same have been determined, will be furnished to any shareholder upon request and without charge.

7NJ2 A full statement of the authority of the Board of Directors to divide the shares into classes or series and to determine or change the relative rights, preferences and limitations of any class or series will be furnished to any shareholder upon request and without charge.

New York

7NY1 The Corporation will furnish to any shareholder upon request without charge, a full statement of the designation, relative rights, preferences and limitations of each class of shares and series of shares authorized to be issued.

7NY2 Notice is given that the certificate of incorporation contains provisions authorized by one or more of the following sections of the Business Corporation Law, viz. 616, 620, 1002, which sections prescribe special provisions for quorum or vote of shareholders, control of directors and voluntary dissolution.

7NY3 Transferability and sale of these shares is restricted by the provisions of Article 15 of the Business Corporation Law and may be further restricted by the provisions of the Certificate of Incorporation, Bylaws, stock purchase or stock redemption agreement. Any sale or transfer in violation of such restrictions shall be void.

7NY4 This entity is a benefit corporation organized under Article Seventeen of the New York Business Corporation Law.

Pennsylvania

7PAI The rights of shareholders in a statutory Close Corporation may differ materially from the rights of shareholders in other corporations. Copies of the Articles of Incorporation and Bylaws, agreements among shareholders or other documents, which may restrict transfers and affect voting and other rights, may be obtained by a shareholder on written request to the corporation.

Texas

7TXI These shares are issued by a Close Corporation as defined by the Texas Business Corporation Act. A shareholders' agreement may provide for management of a Close Corporation by the shareholders or in other ways different from an ordinary corporation. This may subject the holder of this certificate to certain obligations and liabilities not otherwise imposed on shareholders of an ordinary corporation. On any sale or transfer of these shares, the transferor is obligated to deliver to the transferee a complete copy of any shareholders' agreement.

How to order multiple class certificates

Fair notice considerations embodied in most state corporate statutes set minimum criteria for the printing of multiple class share certificates. In addition to the essential information necessary on single class certificates, the shares of each class of a multiple class corporation must have printed on them:

1. The title of every class of shares authorized to be issued by the corporation.
2. Either (a) or (b)
 - (a) A full statement of the rights, preferences, designations and limitations of every class of shares authorized to be issued by the corporation. This may be printed on the front or back of the certificate; if printed on the back, reference to it must be made on the front.
 - (b) A clause stating that a full statement of the rights, preferences, designations and limitations of every class of shares will be furnished to any shareholders' requesting it.
3. A statement designating which class the particular certificate belongs to. (It is common practice to use a different colored border for each class.)

If you fail to include the information on the certificates as set forth above you face possible claims by dissatisfied shareholders' of one class that they were never given notice that shareholders' of other classes enjoyed preferences in dividends, liquidations, etc. You can check your state corporate statutes and case law on this issue. In any event you can minimize your exposure by having the certificates printed properly.

If you are amending the certificate of incorporation to change only one class, or ordering an additional class, holders of outstanding classes that are not changing should be notified. An effective way to do this is issue new certificates to *all* outstanding shareholders' of *all* classes.

To place orders properly, we need:

1. Corporation name
2. State of incorporation.
3. Total authorized shares and, for each class, the title, number of authorized shares, and par value (or "no par value") of each class. An example of how this might be written follows:
Authorized to issue 2500 shares.
1500 shares Class A Common, no par value
500 shares Class B Common, non-voting, no par value
500 shares 8% cumulative preferred, non-voting, par value \$150 per share.
4. Either (a), (b) or (c)
 - (a) A copy of the article in the certificate of incorporation showing the capitalization of the corporation and the rights, preferences, designations and limitations of each class. (Or better yet, send us a copy of the entire certificate and we will find the appropriate language.)
 - (b) The appropriate standard clause chosen from the list of standard clauses.
 - (c) Your own clause, up to 100 words.
5. Number of certificates to be printed in each class. The minimum number of certificates printed for 4(a) orders is 40, for 4(b) orders or 4(c) orders it is 20. We will divide them equally among classes unless you specify otherwise. We recommend that you anticipate future needs by ordering more than the minimum. The cost of additional certificates is minimal; however, a re-order at a later date is expensive because we must set up the whole order again. For the same economic reasons, if you only need to re-order one class of shares, anticipate your needs for the remaining classes and reduce costs by ordering them simultaneously.
6. Printed numbers on certificates. Each class should have a letter designation ("P" For Preferred, "A" for Class A, etc.) and the number. For new issues start at No. 1. If you are re-ordering certificates without change you must give us the correct number to start with. If you are revising the capitalization by amendment it is appropriate to start both new classes and existing classes at No. 1 if all the outstanding certificates are to be exchanged for new ones.

For public offerings, signature and seal cuts or any other complex printing requirements, call our certificate specialists at 800 221-2972, press 1, for assistance and samples.