

Information

Corporate Stock Certificates - Kit

*Provided under agreement with copyright holder,
© Nova Publishing Company 2004*

This kit provides tools for administrating the issuance and transfer of your corporation's stock.

Corporate stock represents the money or property that is invested in a corporation. It is a representation of the share of ownership in a corporate business. When a corporation files its Articles of Incorporation with the state, it indicates how many shares of stock it will be authorized to issue (for example, 500 shares). When the authorized shares are sold or transferred to a shareholder for something of value (money, property, or labor), the shares are said to be "issued and outstanding." All of the authorized shares need not be issued. The ownership of the shares in the corporation is then evidenced by a stock certificate describing the number of shares owned.

Included in this packet are the following:

- Notes regarding Stock Value and Characteristics
- Stock Checklist
- Receipt for Stock Certificate
- Lost Stock Affidavit
- Corporate Stock Certificate (Front and Back) – see instructions below
- Stock Transfer Book (Sample Page) – see instructions below

Note: This packet includes materials generally applicable to corporations in any state. However, there may be some state-specific rules regarding the issuance and transfer of corporate stock. Please consult your Secretary of State's website for specific information for your state.

Corporate Stock Certificate and Stock Transfer Book: You can download the Corporate Stock Certificate and Stock Transfer Book Page from our site at <http://www.findlegalforms.com/public/CORP-SCST.pdf>

Disclaimer

No Attorney-Client relationship is created by use of these materials. FindLegalForms, Inc. does not provide legal advice. The purchase and use of these materials is subject to the "Disclaimers and Terms of Use" found at findlegalforms.com.

These materials are provided "AS-IS." We do not give any express or implied warranties of merchantability, suitability or completeness for any of the materials for your particular needs. The materials are used at your own risk. In no event will: i) FindLegalForms, Inc, its agents, partners, or affiliates, or ii) the providers, authors or publishers of the forms, be responsible or liable for any direct, indirect, incidental, special, exemplary, or consequential damages (including, but not limited to, procurement of substitute goods or services; loss of use, data, or profits; or business interruption) however caused and on any theory of liability, whether in

contract, strict liability, or tort (including negligence or otherwise) arising in any way out of the use of these materials.

An attorney should be consulted for all serious legal matters.

Notes Regarding Stock Value and Characteristics

The value of your corporation's shares of stock can be a specific "par" value (for example, \$1.00 per share) or they can be "no-par" value, which allows the board of directors to fix the value of the shares by resolution. If the shares are given a par value, the stock must be sold for at least the stated par value. The concept of par value is gradually being eliminated from modern business corporation acts, allowing board of directors discretion to fix the value of the shares. All states allow the use of no-par stock.

Note that there are many, many variable characteristics that can be given to stock. The forms included in this kit are based on basic single-class common stock with voting rights. Classes of stock may, however, be created with non-voting attributes, with preferences for dividends, and with many other different characteristics. Most small business corporations can operate efficiently with a single class of common stock with voting rights.

There is no requirement that a corporation's stock certificates be in a particular format. The sample stock certificate included in this kit is a simple generic form. If you desire, you may obtain fancy blank stock certificates from most office supply stores, but these are not required. For the issuance of stock, follow the steps shown below in the Stock Checklist. Each of the steps taken at a meeting of the board of directors must be documented with a board resolution. Also included in this kit is a page for use in your corporation's stock transfer book, which should be included in your basic corporate record book.

Stock Checklist

- Designate the number of authorized shares in the Articles of Incorporation and whether they are par or no-par value
- At the initial board of directors meeting, determine the number of shares to be issued
- If the shares are no-par, determine the value of the shares at the initial board of directors meeting
- At a board of directors meeting, determine who will purchase shares and how many will be sold to each person
- If necessary, at a board of directors meeting, the board of directors must fix the value of any property that will be accepted in exchange for shares of stock
- At a board of directors meeting, authorize officers to issue shares to persons designated
- The secretary will then prepare the appropriate stock certificates
- If there are restrictions on the transfer of stock, note the restrictions on the back of the certificate
- All of the officers of the corporation will sign the certificates
- The secretary will receive the money or property from the purchasers and deposit any funds in the corporate bank account
- The secretary will issue the certificates and receipts for money or property and record the transaction in the corporate stock transfer book
- If a certificate is lost, use the Lost Stock Affidavit included in this kit

Receipt for Stock Certificate of _____

On this date, _____, 20 ____, a shareholder in this corporation has purchased _____ shares of common stock in this corporation, represented by Stock Certificate Number _____.

This certificate represents _____ percent (%) of ownership in this corporation.

The shareholder has transferred to the corporation the following assets, with a fair market value of \$ _____ in consideration for the receipt of the shares of stock:

Payment in full has been received for these shares and the shares have been issued by the corporation, transferred to the shareholder, and received by the shareholder.

Record of this transaction has been recorded in the Stock Transfer Book of this corporation.

Dated: _____, 20 ____

Corporate Seal

Signature of Secretary of Corporation

Printed Name of Secretary of Corporation

Signature of Shareholder

Printed Name of Shareholder

Lost Stock Affidavit

State of _____
County of _____

Being duly sworn, the undersigned states the following on oath:

1. My name is _____, and my address is _____, in the City of _____, in the State of _____.
2. I am the lawful owner of _____ shares of issued and outstanding common stock of _____, a corporation registered in the State of _____.
3. I have not sold, exchanged, transferred, or pledged any of these shares in any manner and the shares have been in my sole possession at my residence since issuance. I am now unable to locate these shares and believe that they have been lost, stolen, or misplaced.
4. I request the issuing corporation to issue a duplicate stock certificate for ownership of these shares without surrender of the original shares.
5. I agree to indemnify and hold the issuing corporation harmless from any liability or expenses which may result from reliance on this affidavit.

Dated: _____, 20 ____

Signature of Stockholder

Printed Name of Stockholder

Subscribed and sworn to before me on _____, 20 ____.

Signature of Notary Public

Notary Public, In and for the County of _____
State of _____

My commission expires: _____

Notary Seal