

**Form 426—General Information
(Resolution Relating to a Series of Shares)**

The attached form is drafted to meet minimal statutory filing requirements pursuant to the relevant code provisions. This form and the information provided are not substitutes for the advice and services of an attorney and tax specialist.

Commentary

This form has been promulgated to comply with the provisions of the Texas Business Organizations Code (BOC) as well as prior law regarding filing a statement relating to an action with respect to a series of shares by a for-profit corporation. There are not substantive differences in the filing of the statement under prior law and under the BOC. Consequently, instructions for the form only make statutory references to the BOC.

If expressly authorized by the corporation's certificate of formation and subject to that certificate, the board of directors of a corporation may establish series of unissued shares of any class by setting and determining the designations, preferences, limitations, and relative right, including voting rights of the shares (BOC § 21.155). To establish the series, the board of directors must adopt a resolution. To effect an action authorized under section 21.155, the corporation must file with the secretary of state a statement regarding the establishment of shares.

If not restricted by the certificate of formation, the board of directors may increase or decrease the number of unissued shares in a series by adopting a resolution setting and determining the new number of shares (BOC § 21.155(c)). Additionally, the board of directors by resolution may delete a series if no shares of that series have been issued or no issued shares of the series remain outstanding (BOC § 21.155(e)). If no shares of a series established by resolution of the board of directors are outstanding because no shares of that series have been issued, the board of directors also may amend the designations, preferences, limitations, and relative rights, including the voting rights, of the series or amend any designation, preference, limitation, or relative right that is not set and determined by the certificate of formation (BOC § 21.155(f)).

On filing the statement regarding the resolution, the resolution becomes an amendment of the certificate of formation (BOC § 21.156). An amendment of the certificate of formation under section 21.155 is not subject to the procedure to amend the certificate of formation.

Instructions for Form

- **Entity Information:** The statement must contain the legal name of the entity. It is recommended that the file number assigned by the secretary of state be provided to facilitate processing of the document.
- **Copy of Resolution:** A copy of the resolution establishing a series of shares, increasing or decreasing the number of shares in a series, deleting an established series, or amending a series must be attached to the statement.
- **Adoption of Resolution:** The statement must indicate that the resolution was adopted by all necessary action on the part of the corporation (BOC § 21.155). In addition, the statement must include the date the board of directors adopted the resolution.

- **Effectiveness of Filing:** A statement becomes effective when filed by the secretary of state (option A). However, pursuant to sections 4.052 and 4.053 of the BOC the effectiveness of the instrument may be delayed to a date not more than ninety (90) days from the date the instrument is signed (option B). The effectiveness of the instrument also may be delayed on the occurrence of a future event or fact, other than the passage of time (option C). If option C is selected, you must state the manner in which the event or fact will cause the instrument to take effect and the date of the 90th day after the date the instrument is signed. In order for the instrument to take effect under option C, the entity must, within ninety (90) days of the filing of the instrument, file a statement with the secretary of state regarding the event or fact pursuant to section 4.055 of the BOC.

On the filing of a document with a delayed effective date or condition, the computer records of the secretary of state will be changed to show the filing of the document, the date of the filing, and the future date on which the document will be effective or evidence that the effectiveness was conditioned on the occurrence of a future event or fact.

- **Execution:** Pursuant to section 20.001 of the BOC, the statement must be signed by an officer of the corporation.

The statement need not be notarized. However, before signing, please read the statements on this form carefully. *A person commits an offense under section 4.008 of the BOC if the person signs or directs the filing of a filing instrument the person knows is materially false with the intent that the instrument be delivered to the secretary of state for filing. The offense is a Class A misdemeanor unless the person's intent is to harm or defraud another, in which case the offense is a state jail felony.*

- **Payment and Delivery Instructions:** The filing fee for the statement regarding a resolution relating to a series of shares is **\$15**. Fees may be paid by personal checks, money orders, LegalEase debit cards, or American Express, Discover, MasterCard, and Visa credit cards. Checks or money orders must be payable through a U.S. bank or financial institution and made payable to the secretary of state. Fees paid by credit card are subject to a statutorily authorized convenience fee of 2.7 percent of the total fees.

Submit the completed form in duplicate along with the filing fee. The form may be mailed to P.O. Box 13697, Austin, Texas 78711-3697; faxed to (512) 463-5709; or delivered to the James Earl Rudder Office Building, 1019 Brazos, Austin, Texas 78701. If a document is transmitted by fax, credit card information must accompany the transmission (Form 807). On filing the document, the secretary of state will return the appropriate evidence of filing to the submitter together with a file-stamped copy of the document, if a duplicate copy was provided as instructed.

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(Revised 05/11)

Return in duplicate to:
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
512 463-5555
FAX: 512/463-5709
Filing Fee: \$15



This space reserved for office use.

**Resolution Relating to a
Series of Shares**

Entity Information

The name of the corporation is:

State the name of the entity as currently shown in the records of the secretary of state.

The file number issued to the filing entity by the secretary of state is: _____

Copy of Resolution

(Please check only one box.)

- A copy of a resolution establishing and designating a series of shares is attached.
- A copy of a resolution increasing or decreasing the number of shares in an established series is attached.
- A copy of a resolution deleting an established series is attached.
- A copy of a resolution amending an established series is attached.

Adoption of Resolution

The resolution was adopted by all necessary action on the part of the corporation on:

mm/dd/yyyy

Effectiveness of Filing (Select either A, B, or C.)

- A. This document becomes effective when the document is filed by the secretary of state.
- B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____

C. This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90th day after the date of signing is: _____
The following event or fact will cause the document to take effect in the manner described below:

Execution

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Date: _____

Signature and title of authorized officer