



Instructions for Certificates of Resolution

G1021 for C and S Corporations

G1022 for LLCs

G1023 for Limited Partnerships

The certifications of resolutions are resolutions that a seller should adopt to ensure that the listing agreement is authorized and effectively binds the seller. These certifications are for (1) a corporation (2) a limited liability company and (3) a limited partnership.

This document not only serves to protect the broker against claims that whoever entered into the listing agreement did not have the proper authority, but also helps to identify for the seller early in the process what internal authorizations (such as, for example, approvals from other members in an LLC) will be required to proceed with the sale of the business.

The seller should review its internal documentation to determine what steps are necessary to authorize entering into the listing agreement, and then have these steps (such as, for a corporation, a resolution of the Board of Directors) taken. The seller must take the steps specified in his company's documentation to sign the certificate. It may not be enough that someone sign the certification without his having taken the specified steps.

Note that the description of the party who is signing the certification varies. For a corporation it normally would be the Secretary. For a limited partnership it normally would be the General Partner or an officer of the General Partnership, and for an LLC, either a Manager, an Authorized Member, or a Secretary, depending on what is specified in the LLC's operating agreement. The other blanks also should be filled in, such as the state in which the seller was formed, the name of the certifying person, the date of the listing agreement, the date the certification was signed, and the full name of the seller.

Please note that although the resolution authorizes the sale of stock, we are not recommending that stock sales be considered without assuring compliance with all SEC requirements in effect at the time of adoption of the resolution.