



## Stock Subscription Agreement

**Document 1404A**

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## STOCK SUBSCRIPTION AGREEMENT

*The undersigned ("**Subscriber**") hereby subscribes for [NUMBER] shares (\_\_\_\_) of [Common] Stock par value \$\_\_\_\_ per share (the "[Common Stock]"), of [COMPANY NAME], a \_\_\_\_\_ corporation (the "**Company**") and [in consideration for the Shares agrees to pay the Company [\$\_\_\_\_\_]. The nature of the consideration to be paid for the shares is [cash][ services rendered or to be rendered]].*

**OR**

*The undersigned ("**Subscriber**") hereby subscribes for [NUMBER] shares (\_\_\_\_) of [Common] Stock par value \$\_\_\_\_ per share (the "[Common Stock]"), of [COMPANY NAME], a \_\_\_\_\_ corporation (the "**Company**") and [in consideration for the Shares agrees to contribute to the Company certain rights in the patents, trademarks and technology listed on Exhibit A to this Agreement.]*

**OR**

*The undersigned ("**Subscriber**") hereby subscribes for [NUMBER] shares (\_\_\_\_) of [Common] Stock par value \$\_\_\_\_ per share (the "[Common Stock]"), of [COMPANY NAME], a \_\_\_\_\_ corporation (the "**Company**") and in consideration for the Shares agrees to lend the Company the principal sum of \$\_\_\_\_\_ pursuant to the terms and conditions set forth in the promissory note attached as Exhibit A to this Agreement.]*

Subscriber represents and warrants to the Company that Subscriber is acquiring the Shares for Subscriber's own account for investment only and not with the view to distribution or resale of the Shares. Subscriber agrees not to sell or otherwise dispose of the Shares in violation of the provisions of the Securities Act of 1933, as amended (the "**Act**"). Subscriber understands that the Shares are being sold to Subscriber pursuant to an exemption from the registration requirements of the Act and, accordingly, must be held indefinitely by Subscriber unless they are later transferred in transactions that are either registered under the Act or exempt from registration. Subscriber understands that the Company is under no obligation to register the Shares under the Act or to file for or comply with an exemption from registration, and recognized that exemptions from registration, in any case, are limited and may not be available when Subscriber may wish to sell, transfer or otherwise dispose of the Shares.

[Subscriber agrees to become, upon purchase of the Shares, a party to a [NAME OF STOCKHOLDER AGREEMENT] (a copy of which is attached) among the Company, the Subscriber and other stockholders. Subscriber understands that the Shares will be subject to restrictions on transfer set forth in that Agreement.] Subscriber also understands that the certificate(s) representing the Shares will bear the following legends restricting their transfer and that a notation restricting their transfer will be made on the stock transfer books of the Company:

*"The shares of stock represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be*

*sold, assigned, pledged or otherwise transferred in the absence of an effective registration statement under said Act covering the transfer or an opinion of counsel satisfactory to the issuer that registration under said Act is not required.”*

*[“The shares of stock represented by this certificate are subject to restrictions on transfer set forth in the [NAME OF STOCKHOLDER AGREEMENT] dated as of [DATE]. The corporation will furnish a copy of such agreement to the holder of this certificate without charge upon written request.”]*

[Subscriber represents and warrants to the Company that Subscriber has such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Shares and that Subscriber is able to incur a complete loss of Subscriber's investment and to bear the risk of such loss for an indefinite period of time. Subscriber understands that the Shares are a risky and speculative investment.]

[Subscriber acknowledges that the Company has given Subscriber access to the corporate records and accounts of the Company, has made its officers available for interview by Subscriber and has furnished Subscriber with all documents required by Subscriber to make an informed decision with regard to the purchase of the Shares.]

Subscriber agrees not to sell, transfer or otherwise dispose of the Shares during a ninety (90) day period beginning upon the effective date of a Registration Statement under the Act relating to an underwritten public offering of the Common Stock of the Company or such longer period as may be agreed to in writing by the selling stockholders in such offering or stockholders who own in the aggregate at least 20% of the Company's outstanding shares of Common Stock immediately prior to such Offering.

Subscriber agrees to indemnify the Company and hold the Company harmless for all losses, damages, liabilities and expenses (including legal fees) resulting from any breach of any representation, warranty or agreement or any misrepresentation by Subscriber in this Agreement.

[The Shares are intended to qualify as Section 1244 stock under the Internal Revenue Code.]

The Subscription shall be binding on the heirs, representatives, successors and assigns of the Subscriber.

SSN or FIN: \_\_\_\_\_

\_\_\_\_\_  
Signature of Subscriber

Printed Name: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

In consideration of the above representations, warranties and agreements, the Company accepts the subscription and will cause a certificate to be issued upon payment as provided above.

[NAME OF COMPANY]

[Seal]

By: \_\_\_\_\_

Its:

**INTELLECTUAL PROPERTY**