

When Signing A Subscription Agreement Is A Crime

Allen Matkins
CHALLENGE. OPPORTUNITY. SUCCESS.

Article By

[Keith Paul Bishop](#)

[Allen Matkins Leck Gamble Mallory & Natsis LLP](#)

[California Corporate and Securities Law](#)

- [Corporate & Business Organizations](#)
- [California](#)

Thursday, October 17, 2019

Chapter 22 of the California General Corporation Law is devoted to crimes and penalties. Some of these crimes are surprising. Section 2252, for example, imposes criminal liability on every person who "signs to any subscription or agreement the name of any person, knowing that the person has no means or does not intend in good faith to comply with the terms thereof or that there is any understanding or agreement that the terms of the subscription or agreement are not to be complied with or enforced". The same statute imposes liability on every person who signs the name of a fictitious person to any subscription for or agreement to take stock in any domestic or foreign corporation, existing or proposed. I don't know whether anyone has actually been convicted under this statute because there are no reported decisions.

© 2010-2019 Allen Matkins Leck Gamble Mallory & Natsis LLP

Source URL: <https://www.natlawreview.com/article/when-signing-subscription-agreement-crime>