

Preferred Stock Equity Investment Contract

This Preferred Stock Equity Investment Contract ("Agreement") is made and entered into as of **[Date]**, by and between:

Company: **[Company Name]**, a corporation organized under the laws of **[Jurisdiction]**.

Investor: **[Investor Name]**, an individual/entity with principal address at **[Investor Address]**.

1. Subscription and Purchase

The Investor agrees to purchase from the Company, and the Company agrees to sell to the Investor, **[Number]** shares of the Company's Preferred Stock at a price of **[\$[Amount]]** per share, for a total investment of **[\$[Total Amount]]**.

2. Rights of Preferred Stock

- Dividends: Holders of Preferred Stock shall be entitled to receive cumulative dividends at a rate of **[X%]** per annum, when and as declared by the Board of Directors.
- Liquidation Preference: In the event of liquidation, Preferred Stockholders have priority over Common Stockholders, receiving **[\$[Liquidation Amount]]** per share plus unpaid dividends.
- Conversion Rights: Preferred Stock may be converted into Common Stock at the option of the holder at any time, subject to conversion ratio of **[Ratio]**.
- Voting Rights: Preferred Stockholders will have voting rights as set forth in the Company's Articles of Incorporation.

3. Representations and Warranties

- The Company represents that it is duly organized and authorized to issue the Preferred Stock.
- The Investor represents that investment is made for investment purposes and not with intent to resell.

4. Miscellaneous

- This Agreement is governed by the laws of **[Relevant State/Country]**.
- Any amendments must be in writing and signed by both parties.
- This Agreement constitutes the entire agreement between the parties.

Authorized Signature, Company

Date: _____

Authorized Signature, Investor

Date: _____

Important Notes:

- This is a sample format and should be tailored to specific deal terms and relevant legal requirements.
- Preferred stock offers certain financial and control protections to investors compared to common stock.
- Always secure legal counsel before executing such agreements.
- Dividend, liquidation, and conversion rights must be specified in the company's charter documents for enforceability.
- All parties should fully understand the implications and obligations detailed in the contract.