



Is Your Client Authorized to Sign?



When you're working with a client who claims to represent a business, trust, or estate, how do you know whether he or she has the legal authority to sign a contract on behalf of the owner? Failure to have all necessary parties sign legal documents, such as a listing agreement, buyer representation contract, purchase and sales agreement, or lease can delay or cancel a transaction – and your compensation.

Here are some tips to reduce your risk. If you are not sure which documents are necessary or how to interpret them, it's a good idea to contact a title attorney.

Entity

Who Can Sign



TRUST

The trust instrument will show who the trustees are and who is authorized to sign.



CORPORATION

Check the RI Secretary of State's Business Portal to see whether the corporation is in good standing and who the officers are.



LIMITED LIABILITY COMPANY (LLC)

Check the RI Secretary of State's Business Portal to see whether the LLC is in good standing and who the manager is. The LLC partnership agreement will show who is authorized to sign. If no one is listed, there should be a Probate Court order that will tell you who is authorized to sign.



FOREIGN LLC

If a foreign corporation is doing business in RI and its home state, it must be in good standing in both states. If it owns property in RI but does not do other business here, it must be in good standing only in its home state. Check the Business Portal of the appropriate state(s) to determine standing.



ESTATE

Check with the estate attorney, if there is one, to find out who the executor(s) or administrator(s). Otherwise, there should be a Probate Court order.



BANKRUPTCY TRUSTEE

The trustee will be appointed by a Bankruptcy Court order.

Don't waste time and money. Protect yourself.



For more information, contact the RI REALTORS® Legal Department at 401-432-6945 or email monica@rirealtors.org.

To search for an entity, use this QR Code to access the [Rhode Island Secretary of State's Business Portal](#).

