

## CORPORATIONS

### CHAPTER 101.

[S. B. No. 198—Gunderson & Duis]

#### DISSOLUTION OF CORPORATIONS.

AN ACT to Amend and Re-Enact Section 7387 of Article 4, of Chapter 27, of the Revised Codes of North Dakota, for the Year 1905.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1. That section 7387 of the Revised Codes of North Dakota for the year 1905, be amended and re-enacted to read as follows:

§ 7387. WHAT JUDGMENT SHALL PROVIDE. RECEIVER. DISTRIBUTION OF PROPERTY.] If in any such action it shall be adjudged that a corporation has forfeited its corporate rights, privileges and franchises, judgment shall be rendered that such corporation be excluded from such corporate rights, privileges and franchises and be dissolved; and thereupon the affairs of said corporation shall be wound up by and under the direction of a receiver to be appointed by the court and its property sold and converted into money; and the proceeds after paying the costs and expenses shall be distributed in the following order:

1. For payment of taxes.
2. For the payment of the legal and equitable liens upon the property of such corporation in the order of their priority.
3. The wages of laborers and employes accruing within six months previous to the commencement of the actions.
4. For the payment of the other debts of the corporation.
5. The residue of such moneys, if any, shall be distributed among the stockholders thereof.

When any corporation shall be adjudged to have exercised a franchise or privilege not conferred on it by law, the court may in its discretion instead of rendering a judgment as above provided in this section render a judgment that such corporation be excluded from exercising such franchise or privilege and that the plaintiff recover costs and may also, in either case in its discretion, fine such corporation in a sum not exceeding two thousand dollars to be collected and paid into the state treasury.

Approved March 3, 1911.

## CHAPTER 102.

[S. B. No. 209—Garden]

## REGULATING CORPORATION INDEBTEDNESS.

AN ACT Regulating the Business of Corporations Issuing Bonds, Notes or Other Evidences of Indebtedness and Providing for the Examination of Such Corporations.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1. All corporations engaged in transacting business in this state, which issue, sell, or offer for sale, their stocks, securities, notes, obligations, bonds or other evidence of indebtedness by whatever name the same may be designated, shall on demand of the State Bank Examiner furnish him with a detailed itemized report of their assets, liabilities and business transacted, which reports shall be made to the state examiner in such form as he may prescribe, and shall be made and filed in his office for the information of the public. Such reports shall be verified by the oath of the secretary or chief executive officer of such corporation.

§ 2. When requested in good faith by any resident of this state and when good faith and sufficient reasons are given therefore, the state examiner may, if necessary, cause an examination of the financial condition of any such corporation to be made and he shall report the findings thereof to the person applying for such examination. His powers and duties in connection therewith shall be the same as in the examination of banks and the same fees shall be charged and paid therefor as for the examination of banks. His report shall be submitted to and filed with the State Banking Board.

§ 3. The State Banking Board on being satisfied of the insolvency, mismanagement, fraud or breach of trust of any such corporation or of any violation of any provision of this act by any such corporation, may forthwith take charge of such corporation pending action in the district court to dissolve and wind it up, which action shall be brought by the Attorney General, in the name of the state under the direction of such Board.

§ 4. Any officer, agent, or employee of any such corporation who makes or subscribes any false report under this act, or who hinders, deceives or obstructs the State Examiner or his deputy in the discharge of any lawful duty hereunder, shall on conviction for each offense be punished by fine of not less than fifty dollars, and not more than one thousand dollars, or by imprisonment in the county jail of the county for not more than one year or by both such fine and imprisonment.

§ 5. The provisions of this act shall not apply to any banking corporation organized and existing under Chapter 21 of the Civil Code, Revised Codes of 1905, or to any building and loan association organized and existing under Chapter 19 of such Civil Code.

§ 6. The provisions of this act shall not apply to corporations heretofore or hereafter placed by law under jurisdiction of the banking department of the state.

Approved March 3, 1911.

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#### CHAPTER 103.

[H. B. No. 55—Gardiner]

RE-INSTATING AND VALIDATING CHARTERS OF CORPORATIONS.  
AN ACT Re-Instating and Validating the Charters of Corporations That Have Been Cancelled for Failure to Make and File With the Secretary of State, Reports as Required by and Under Section 4186 of the Revised Codes of 1905.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1. CHARTERS VALIDATED. REPORTS FILED WITH THE SECRETARY OF STATE.] All corporations heretofore organized under the laws of the state of North Dakota, whose charters have become forfeited and cancelled under the provisions of section 4186 of the Revised Codes of 1905 by reason of the failure to make and file with the secretary of state, reports as in said section required, be and the same hereby are validated for all purposes upon condition, however, that all corporations desiring to come under the provisions hereof shall on or before the first day of August, 1911, make and file with the said secretary of state, full and complete reports as in said section prescribed, and the charter of any corporation complying with the provisions of this statute within said period is hereby declared valid in all respects.

§ 2. EMERGENCY.] Whereas, an emergency exists in that the charters of many corporations have been cancelled by reason of the failure to make reports as required by law, therefore, this act shall take effect and be in force from and after its passage and approval.

Approved February 18, 1911.

## CHAPTER 104.

[H. B. No. 173—Hoge]

## BY-LAWS OF PRIVATE CORPORATIONS.

AN ACT to Amend and Re-enact Section 4201 of the Civil Code of the Revised Codes of North Dakota of 1905, Relating to By-laws of Private Corporations.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1. AMENDMENT.] Section 4201, Article 4, Chapter 11 of the Civil Code of the Revised Codes of North Dakota of 1905 is amended and re-enacted to read as follows:

§ 4201. BY-LAWS. WHO ADOPT. WHEN.] Every corporation formed under this chapter must within one month after filing articles of incorporation adopt a code of by-laws for its government, not inconsistent with the constitution and laws of this state. The assent of stockholders representing a majority of all the subscribed capital stock, or of a majority of the members, if there is no capital stock, is necessary to adopt by-laws, if they are adopted at a meeting called for that purpose; and in event of such meeting being called notice thereof shall be published two times, once in each week, for two successive weeks in some newspaper published in the county in which the principal place of business of the corporation is located, or if none is published therein, then in a newspaper published at the seat of government. The written assent of the holders of two-thirds of the stock, or of two-thirds of the members, if there is no capital stock, shall be effectual to adopt a code of by-laws without a meeting for that purpose; provided, however, that any corporation incorporated in this state after the taking effect of this act may by its articles of incorporation provide that each stockholder shall have only one vote on any question arising at any of its stockholders' meetings regardless of the amount of stock owned; provided, further, that any corporation may amend its articles of incorporation at any time and adopt such provisions of unit vote by a unanimous vote of all stockholders owning stock in such corporation.

§ 2. REPEAL.] All acts or parts of acts in conflict with this act are hereby repealed.

§ 3. EMERGENCY.] Whereas, an emergency exists in that there is no provision of law allowing a unit vote by stock companies or corporations, this act shall be in full force after its passage and approval.

Approved February 21, 1911.

## CHAPTER 105.

[H. B. No. 284—Davis]

## FEES FOR FILING ARTICLES OF INCORPORATION.

AN ACT to Amend Section 4177 of the Revised Codes of North Dakota of 1905 as Amended by Chapter 64 of the Laws of North Dakota of 1909, Relating to Fees for Filing Articles of Incorporation.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1. AMENDMENT.] Section 4177 of the Revised Codes of the state of North Dakota of 1905 as amended by chapter 64 of the laws of 1909 is hereby amended to read as follows:

§ 4177. FEES FOR ARTICLES.] Every corporation for profit, except corporations organized for the purpose of irrigation, water users associations, building and loan associations, county mutual insurance companies, corporations for the manufacturing of dairy products, agricultural fair associations, corporations whose capital stock does not exceed five thousand dollars formed for the purchase and maintenance of male animals for the improvement of stock, corporations whose capital stock does not exceed two thousand dollars formed for the purchase of musical instruments, music and uniforms for bands of musicians, and corporations whose capital stock does not exceed five thousand dollars, formed for the purpose of purchasing or leasing grounds and erecting thereon the necessary fences, buildings, and seats and purchasing the necessary equipments for the use of base ball clubs, foot ball teams and other athletic associations when composed of non-salaried members or players, shall at or before the filing of the articles of incorporation pay into the state treasury, the sum of twenty-five dollars for the first twenty-five thousand dollars, or fraction thereof, of the capital stock of such corporation, and the sum of fifty dollars for twenty-five thousand dollars up to fifty thousand dollars of the capital stock of such corporation, and the further sum of five dollars for every additional ten thousand dollars, or fraction thereof, of its capital stock.

§ 2. REPEAL.] All acts or parts of acts in conflict with the provisions of this act are hereby repealed.

§ 3. EMERGENCY.] Whereas, an emergency exists, this act shall take effect and be in force from and after its passage and approval.

Approved March 6, 1911.