

ors of this state for their approval or rejection, in accordance with the provisions of Section 202, of the Constitution of the State of North Dakota.

AMENDMENT.] That Article VII, of Section 135, of the Constitution of the State of North Dakota, be amended to read as follows:

In all elections for directors or managers of a corporation, each member or shareholder may cast the whole number of his votes for one candidate, or distribute them upon two or more candidates, as he may prefer, *provided*, any co-operative corporation may adopt by-laws limiting the voting power of its stockholders.

Approved, February 10, 1915.

CORPORATIONS

CHAPTER 91.

[S. B. No. 203—Vail.]

BLUE SKY LAW.

AN ACT to Prevent Imposition or Fraud in the Sale or Disposition of Certain "Securities" Herein Defined by Requiring an Inspection Thereof: Providing for such Inspection, Supervision and Regulation of the Business of Any Person, Association, Partnership, or Corporation, Engaged or Intending to Engage, Whether as Principal or Agent, in the Sale of Any Such Securities in the State of North Dakota, as may be Necessary to Prevent Imposition or Fraud in the Sale or Disposition of said Securities, and Repealing Chapter 32 of the Civil Code of the Compiled Laws of 1913.

Be it Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. The term "Securities" as used in this Act shall be taken to mean stock certificates, shares, bonds, debentures, certificates of participation, contracts, contracts or bonds for the sale and conveyance of land on deferred payments or installment plan, or other instruments in the nature thereof by whatsoever name known or called. The term "Speculative Securities" as used in this Act shall be taken to mean and include, (1) All securities into the specified par value of which the element of chance, speculative profit, or possible loss equal or predominate over the elements of reasonable certainty, safety, and investment; (2) All securities the value of which materially depends on proposed or promised future promotion or development rather than on present tangible assets and conditions; (3) Any securities based in whole or material part on assets consisting of patents, formulæ, good-will, promotion, or intangible assets; (4) Securities made or issued in furtherance or promotion of any enterprise or scheme for the sale of unimproved or unde-

veloped land on any deferred payments or installment plan when the principal value of such securities depends on the future performance of any stipulation by the promoters of such enterprise to furnish irrigation or transportation facilities, or other value enhancing utility or improvement. The term "Speculative Enterprise" as used in this Act shall be taken to mean any business undertaking, project, venture or activity for the promotion or furtherance of which "Speculative Securities" as herein defined are made, issued, sold, or offered for sale.

§ 2. It shall be hereafter unlawful for any person, co-partnership, association or corporation, hereinafter called the promoter, either as principal, or through agents, to sell or offer for sale (except to banks, bankers, trust companies, dealers, or brokers in securities, corporations or partnerships) or by means of any advertisements, circulars, or prospectus, or by any other form of public offering, to attempt to promote the sale of any speculative securities in this state, unless there first shall have been filed with the State Examiner, (1) A copy of the securities so to be promoted; (2) A statement in substantial detail of the assets and liabilities of the person or company making and issuing such securities and of any person or company guaranteeing the same, including specifically the total amount of such securities and of any securities prior thereto in interest or lien, authorized or issued by any such person or company; (3) If such securities are secured by mortgage or other lien, a copy of such mortgage or of the instrument creating such lien, and a competent appraisal or valuation of the property covered thereby, with a specific statement of all prior liens thereon, if any; (4) A full statement of facts showing the gross and net earnings, actual or estimated, of any person or company making and issuing or guaranteeing such securities, or of any property covered by any such mortgage or lien; (5) All knowledge or information in the possession of such promoter relative to the character or value of such securities, or of the property or earning power of the person or company making and issuing or guaranteeing the same; (6) A copy of any general or public prospectus or advertising matter which is to be used in connection with such promotion, and no such prospectus or advertising matter shall be used unless the same has been filed hereunder; (7) The names, addresses and selling territory in this state of any agents by or through whom any such securities are to be sold, and no such agents shall be employed unless such statement with respect to them has been filed hereunder, and there shall have been paid to the State Examiner a registration fee of one dollar for each such agent. The payment of such fee shall be payment in full of all fees for registration of such agent until and including the first day of March next following; (8) The name and address of such promoter, including the names and addresses of all partners, if the promoter be a partnership, and the names and addresses of the directors or trustees, and of any person

owning ten per centum, or more, of the capital stock, if the promoter be a corporation or association; (9) A statement showing in detail the plan on which the business or enterprise is to be transacted; (10) The articles of co-partnership or association, and all other papers pertaining to its organization, if the securities be insured or guaranteed by a co-partnership or unincorporated association; (11) A copy of its charter and by-laws if the securities be issued or guaranteed by a corporation; (12) A filing fee of twenty-five (\$25.00) dollars.

§ 3. Every foreign corporation before selling or offering for sale any speculative securities, shall also file its written consent, irrevocable, that actions may be commenced against it in the proper courts of any county in this state in which a cause of action may arise, by the service of process on the Secretary of State, and stipulating and agreeing that such service of process on the Secretary of State shall be taken and held in all courts, to be as valid and binding as if due service had been made upon the company itself, according to the laws of this or any other state, and such instrument shall be authenticated by the seal of said foreign corporation, and shall be accompanied by a duly certified copy of the order or resolution of the board of directors, trustees, or managers of the corporation authorizing the said secretary and president to execute the same.

§ 4. It shall be the duty of the State Examiner as soon as is practical, to examine the statement and documents so filed and if said State Examiner shall deem it advisable, he shall make, or have made, a detailed inspection, examination, audit and investigation of the affairs of the makers or guarantors of such securities which said inspection, examination, audit and investigation shall be at the applicant's expense. As a part of the aforesaid inspection, examination, audit and investigation, the State Examiner may cause an appraisal to be made of the property of the maker or guarantor, including the value of patents, formulæ, good-will, promotion, and intangible assets and shall furnish a full and complete statement or report of his inspection and investigation aforesaid to the State Banking Board. The State Banking Board shall, within ten days thereafter, examine the statements or reports, and give the promoter a hearing if he so desires. If the State Banking Board finds no legal objection to the enterprise, or securities, it shall direct the State Examiner to acknowledge compliance with Section 2 of this Act. But if, from the statements, papers and documents on file, and the investigations and report of the State Examiner, or from other evidence submitted, it shall appear, and the State Banking Board shall find (1) That the makers and guarantors of said securities are insolvent, or that the applicant's plan of business is dishonest, or fraudulent, (2) Or that the applicant's literature or advertising is misleading and calculated to deceive purchasers or investors; (3) Or that the securities offered, or to be offered, are issued, or are to be issued in payment for property, patents, for-

mulæ, good-will or promotion and intangible assets in excess of the reasonable value thereof; (4) Or that the enterprise of the applicant is unlawful or against public policy; (5) Or is a mere scheme of a promoter or promoters to get rich quick at the expense of the purchasers of the aforesaid securities, the said State Banking Board shall reduce its said findings to writing and attest the same by the signature of the chairman and secretary thereof. Notice of such finding, or findings, shall immediately be given to the applicant by registered mail. And it shall thereafter be unlawful for the promoter or any agent of said promoter to sell, offer for sale, or by means of any advertisement, circular, or prospectus, or by any other form of public offering to attempt to promote the sale of any such speculative security or securities in this state.

§ 5. The State Banking Board shall at any time have the authority and jurisdiction to investigate the affairs of any speculative enterprise, the securities of which are being sold or offered for sale in this state, and after giving the promoter a hearing, may if the evidence warrant, make any of the adverse findings enumerated in Section 4 of this Act, and it shall thereafter be unlawful for any person, co-partnership, association or corporation to sell, offer for sale, or by means of any advertisement, circular, or prospectus or by any other form of public offering to attempt to promote the sale of the securities of such speculative enterprise in this state.

§ 6. Any person, co-partnership, association or corporation being dissatisfied with any finding or findings of the State Banking Board, made in accordance with the provisions of this Act, may within thirty days from the making thereof commence an action in any court of competent jurisdiction against said Banking Board as defendant, to vacate and set aside said finding or findings on the ground that the said findings are unjust or unreasonable. The rules of pleading and procedure in such action shall be the same as are provided by law for the trial of equitable actions in the district courts of this state and on the hearing the judge of said court may set aside, modify, or confirm said findings as the evidence and the rules of equity may require. Appeals may be taken from the decision of the district court to the supreme court by either party in the same manner as is provided by law in other civil actions. Pending any such action, the said findings of said State Banking Board shall be prima facie evidence that they are just and reasonable and that the facts found are true, and pending any such action the said findings of the State Banking Board shall remain in full force and effect. If no action be brought to set aside said findings within thirty days, the same shall become final and binding.

§ 7. No amendment of the charter, articles of incorporation, constitution or by-laws of any such corporation or the articles of association or by-laws of any unincorporated association subject to this Act, shall become operative until a copy of the same has been filed with the State Examiner as provided in regard to the original

filing of charters, articles of incorporation, or association, constitution and by-laws, and it shall be unlawful for any such person, co-partnership, association or corporation to transact business on any other plan than that set forth in the statement required to be filed by Section 2 of this Act, or to make, issue, sell or offer for sale any "security" or "securities" required to be filed by Section 2 of this Act, until a written statement showing in full detail the proposed new plan of transacting business and a copy of the proposed new "security" or "securities" shall have been filed with the State Examiner, in like manner as provided in regard to the original plan of business and proposed "security" or "securities."

§ 8. The provisions of this Act shall not apply to (a) Securities of the United States; or any foreign government; or of any state or territory; or of any county, city, township, district or other public taxing sub-division of any state or territory of the United States or any foreign government. (b) Securities of public or quasi public corporations, the issues of which are regulated by a state officer of the State of North Dakota, or by a state officer or board of similar authority of any state or territory of the United States; or securities senior thereto. (c) Securities of state or national banks or trust companies, or building and loan associations authorized by the State Banking Board to do business in this state. (d) Securities of any domestic corporation organized without capital stock, charitable or reformatory purposes.

§ 9. The general accounts of every person, co-partnership, association or corporation, issuing or guaranteeing any securities subject to the provisions of this Act, shall be kept in a business-like and intelligent manner and in sufficient detail so that the State Examiner or his authorized representative can ascertain at any time the financial condition of such person, co-partnership, association or corporation, and the books of account and affairs of any such person, co-partnership, association or corporation shall be subject to examination by the said State Examiner or upon his direction by his assistants, accountants or examiners, at any time said State Examiner shall deem it advisable, and in the same manner as is now provided for the examination of state banks; and such person, co-partnership, association or corporation shall pay a fee for each of such examinations, of not to exceed fifteen dollars (\$15.00) for each day or fraction thereof, plus the actual traveling and hotel expenses of said State Examiner, assistant, accountant or examiner. that he is absent from the capitol of the state for the purpose of making such examination. And it is provided further, that every person, co-partnership, association or corporation making or guaranteeing any securities subject to the provisions of this Act, shall file at the close of business December 31st, March 31st, June 30th and August 31st, of each year, and at such other times as may be required by the State Examiner, a statement certified by the oath of some person having actual knowledge of the facts therein

stated, setting forth, in such form as may be prescribed by said State Examiner, the financial condition, amount of property and liability of such person, co-partnership, association or corporation and such other information as said State Examiner may require. Each statement shall be accompanied by a filing fee of two dollars and fifty cents (\$2.50). It shall be unlawful for any person, partnership, association, or corporation subject to the provisions of this Act, failing or refusing to comply with the provisions of this Section within ten days after compliance is required, to thereafter sell or offer for sale in this state any speculative stock which said person, partnership, association or corporation is selling or offering for sale in this state.

§ 10. The State Examiner shall have power upon reasonable notice either upon his own initiative or upon complaint of any responsible person, to make or have made such special inspection or investigation as he may deem necessary, in connection with the promotion, sale, disposal, or offering for sale or disposal in this state, of any certificates, shares, stocks, bonds, securities, contracts, or contracts or bonds for deeds, to determine whether the same constitute a violation of this Act or any other statute of this state, by any individual, co-partnership, corporation, or association, promoting, offering, selling or pledging the same; and the State Examiner, his assistants or deputy shall have the power to issue subpoenas and process compelling the attendance of any person and the production of any papers or books for the purposes of such investigation and examination, and shall have power to administer an oath to any person whose testimony may be required on such examination or investigation; and any person who shall refuse to obey any such subpoena or make answer to any competent and material question propounded to him by the State Examiner shall upon conviction in any court of competent jurisdiction be deemed guilty of a misdemeanor, and fined in any sum not exceeding five hundred dollars (\$500.00) or be punished by confinement in the county jail for not more than ninety days, or both by such fine and imprisonment. Upon the conclusion of any such investigation, the State Examiner may make findings of fact touching the matter or matters under investigation, and such findings shall be prima facie evidence of the truth of the matters therein found by the State Examiner in any action, either civil or criminal, instituted under any of the laws or statutes of this state against the person, persons, partnership, corporation or association. The notice herein provided for may be given by registered letter mailed to the last known address of person, or persons, or corporations to be investigated and the State Examiner's certificate shall be sufficient evidence of such notice and the mailing thereof.

§ 11. Any person who shall knowingly make or file or cause to be made or filed with the State Examiner any statement, document, circular, advertisement or prospectus, required to be filed by

this Act, which is false in any material respect or matter, shall be deemed guilty of a felony, and on conviction in any court of competent jurisdiction punished by a fine of not less than one hundred dollars (\$100.00) or more than five thousand dollars (\$5,000.00) or by imprisonment in the State Penitentiary for not less than one nor more than five years, or by both such fine and imprisonment.

§ 12. Any person, partnership, association or corporation who shall commit in this state any act declared unlawful by Sections 2, 4, 7 or 9 of this Act, shall be deemed guilty of a felony and on conviction in any court of competent jurisdiction be punished by a fine of not less than one hundred nor more than five thousand dollars, or by confinement in the North Dakota State Penitentiary for a term of not less than one nor more than seven years.

§ 13. This Act shall not apply to the owner of any speculative security, who is not the maker or issuer thereof, who shall acquire and sell the same for his own account in the usual and ordinary course of business and not for the direct or indirect promotion of any enterprise or scheme within the purview of this Act. *Providing*, that such ownership is in good faith. Repeated or successive sales of any such speculative security or securities shall be prima facie evidence that the claim of ownership is not bona fide, but is a mere shift or device to evade the provisions of this Act.

§ 14. All fees herein provided for shall be collected by the State Examiner and by him shall be turned into the state treasury, and shall be kept in a special fund for the payment of the actual and necessary expenses herein provided. All money actually and necessarily paid out by the State Examiner for traveling or incidental expenses on duties performed under this Act, shall be audited as other claims against the state and paid out of the special fund herein created.

§ 15. In any case wherein the value of the securities or contracts hereinbefore enumerated are in any way dependent upon the present or proposed development of land or mines, oil or gas wells, the boards of the Agricultural College or State University shall, on the request of the State Examiner, cause such investigation thereof as the State Examiner may desire to be made by experts from the appropriate departments of the State Agricultural College or State University, or both, as the case may be.

§ 16. Any person who shall knowingly or willfully subscribe to, or make, or cause to be made any false statements or false entry in any book of account of any person, co-partnership, association, or corporation, subject to the provisions of this Act, or exhibit any false paper with intention of deceiving any person authorized to examine into the affairs of such person, co-partnership, association, or corporation, or shall make or publish any false statement of the financial condition of any person, co-partnership, association or corporation subject to the provisions of this Act or shall know-

ingly make any false statements materially affecting the value of the stocks, bonds, or other securities offered for sale by any such person, co-partnership, association or corporation, shall be deemed guilty of a felony and upon conviction thereof, shall be fined not less than one hundred dollars nor more than five thousand dollars, or shall be imprisoned not less than one year nor more than ten years in the State Penitentiary.

§ 17. Persons, partnerships, associations or corporations holding permits under the statutes hereby repealed shall be deemed to have complied with Section 2 of this Act.

§ 18. Should the courts declare any Section or Clause of this Act unconstitutional, then such decision shall affect only the Section or Clause so declared to be unconstitutional, and shall not affect any other Section or part of this Act.

§ 19. Chapter 32 of the Civil Code of the Compiled Laws of 1913 is hereby repealed.

Approved, March 11, 1915.

CHAPTER 92.

[H. B. No. 227—Wiley.]

DEFINING CO-OPERATIVE ASSOCIATIONS.

AN ACT to Define Co-operative Associations and to Authorize Their Incorporation, and to Declare an Emergency.

Be it Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. CO-OPERATIVE ASSOCIATIONS.] For the purpose of this Act, the words "co-operative company, corporation or association," are defined to mean a company, corporation or association which authorizes the distribution of its earnings in part, or wholly, on the basis of, or in proportion to, the amount of property bought from or sold to members, or to members and to other customers, or of labor performed, or other services rendered to the corporation. *Provided*, that nothing in this Act shall be construed as in any way conflicting with or repealing any law relating to building and loan associations or installment investment companies.

§ 2. SAME, INCORPORATION—OBJECT.] Any number of persons, not less than 25, may be associated and incorporated for the co-operative transaction of any lawful business, including the construction of canals, railways, irrigation ditches, bridges and other works of internal improvements.

§ 3. CORPORATE POWERS.] Every co-operative corporation as such has power; First—to have succession by its corporate name; Second—to sue and to be sued, to complain and defend in courts of law and equity; Third—to make and to use a common seal, and alter same at pleasure; Fourth—to hold personal estate, and all

such real estate as may be necessary for the legitimate business of the corporation; Fifth—to regulate and limit the right of stockholders to transfer their stock; Sixth—to appoint such subordinate officers and agents as the business of the corporation shall require, and to allow them suitable compensation therefor; Seventh—to make by-laws for the management of its affairs, and to provide therein the terms and limitations of stock ownership, and for the distribution of its earnings.

§ 4. SAME.] The powers enumerated in the preceding Section shall vest in every co-operative corporation in this state whether the same be formed without, or by legislative enactment, although they may not be specified in its charter or in its articles of association.

§ 5. INCORPORATION FEES.] The fees for the incorporation of co-operative corporations or associations shall be the same amounts as those provided for like capitalization of general corporations in the state. *Provided*, that any co-operative corporation or association, being under the definition given in Section 1 of this Act is hereby authorized to file with the Secretary of State a declaration signed by its president and secretary stating that it is a co-operative corporation or association as above defined, that at a meeting of the stockholders held in which all stockholders were represented all stockholders unanimously consented to come under the provisions of this Act, and from and after the filing of such declaration with the Secretary of State, it shall be entitled to the same legal recognition as though its articles of incorporation had been originally filed under this Act and the fee for filing such declaration shall be two dollars. Subject, however, to the general incorporation laws of the state except as herein modified or changed.

§ 6. All Acts or parts of Acts in conflict herewith are hereby repealed.

§ 7. EMERGENCY.] Whereas, there being an emergency, this Act shall take effect and be in force from and after its passage and approval.

Approved, March 10, 1915.

CHAPTER 93.

[H. B. No. 298—T. Twichell.]

CORPORATION GROSS EARNING REPORT.

AN ACT to Amend and Re-enact Section 2248 of the Compiled Laws of North Dakota for 1913, Relating to the Making by Corporations of Annual Statements to the State Auditor.

Be it Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.] Section 2248 of the Compiled Laws of North Dakota for 1913, relating to the making by corporations of annual

statements to the State Auditor, is hereby amended and re-enacted to read as follows:

§ 2248. ANNUAL STATEMENTS TO STATE AUDITOR. WHAT TO CONTAIN.] Every company defined in Section 2247 of the Compiled Laws of the State of North Dakota for the year 1913, doing business in this state, shall annually, between the first and thirtieth day of June, under oath of the person constituting such company, if a person, or the oath of its president, secretary, treasurer, superintendent or chief officer if an association, company or corporation, make and file with the State Auditor a statement in such form as the State Auditor may prescribe, for the year ending December thirty-first preceding, containing the following facts: The name of the company, the nature of the company, whether a person or persons, association or corporation, and under the law of what state or country organized; the location of its principal office, the name and post office address of the president, vice-president, secretary, auditor, treasurer or superintendent or general manager thereof; the name and address of the chief officer or managing agent of the company in North Dakota, if any; the number of shares of capital stock; the par value and market value, or if there be no market value, the actual value of its shares of stock on December 31st, preceding, a detailed statement of the real estate owned by the company in North Dakota, on December 31st, preceding, where situated and the value thereof, the total value of the real estate owned by the company and situated outside of the State of North Dakota; the total value of the personal property owned by the company and situated outside of the State of North Dakota; the entire gross receipts of the company from whatever source derived for the year ending December 31st, of whatever business done; the entire gross receipts for the year ending December 31st preceding, from whatever source derived, of each office within the State of North Dakota, and the total gross receipts of the company for such period in North Dakota; the entire operating and other expenses of such company, for such year; the balances of profit and loss for such year; the whole length in miles of the lines or routes over which the company did business in the state for the year ending December 31st, preceding, and the length of so much of said line or routes as is without the state and the length of so much of each within each county of the State of North Dakota, naming the lines or routes within this state; such other facts and information as the State Auditor may require in the form of returns to be prescribed by him to enable the State Board of Equalization to ascertain the value of the property of such company liable to taxation within this state. Blanks for making the above statement shall be prepared and on application furnished to any company by the State Auditor.

§ 2. EMERGENCY.] Whereas, in order that this law may become effective during the year 1915, it is necessary that it go into effect

prior to June 1st, therefore, an emergency exists and this Act shall take effect and be in force immediately after its passage and approval.

Approved, March 10, 1915.

CHAPTER 94.

[S. B. No. 268—Albrecht.]

CORPORATIONS EXTINCT—CHURCH.

AN ACT In Reference to Declaring Churches and Church Societies Extinct and Disposing of the Property of Extinct Churches and Church Societies.

Be it Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. All the property, both real and personal, belonging to or held in trust for any church, church society or denominational religious society organized under the laws of the State of North Dakota that has become or shall become extinct, shall vest in and become the property of the central North Dakota society, convention or associations with which said church or religious society is associated or affiliated, *provided* that said central association, society or convention is duly incorporated under the laws of the State of North Dakota.

§ 2. Any denominational church or religious society which has failed for two consecutive years next prior thereto to maintain religious services according to the custom and usage of said denomination or society, or which has less than ten resident attending members making an annual contribution towards its support, may be declared extinct in the following manner, viz: upon presentation to the district court of the district within which said church or society is located, of a certified petition, signed by at least the majority of the resident attending members, stating fully the facts in the case, the said court, or a judge thereof, shall issue an order to show cause why said church or society should not be declared extinct. Said order to show cause shall be made returnable at a term of said court held in and for the county within which said church or society is located, and not less than thirty days' notice of the hearing of said petition shall be given by advertisement in a newspaper published in said county, designated by the judge of said court. The said judge shall order such additional notice to be given, either by personal service or otherwise, as to him shall seem expedient.

§ 3. On evidence being furnished to the satisfaction of the said court or the judge thereof that the said church or religious society has ceased to hold services in and used said property for religious worship or service for a term of two years previous to such application, the said district court or judge thereof may

grant an order declaring such church or society extinct and thereon direct that all its temporalities shall be transferred to and thereupon shall be taken possession of by the central North Dakota organization or society of said church or denomination, or directing that the same be sold in such manner and upon such notice as shall be by the said court decreed, and that the proceeds thereof, after payment of debts of said church or society, be paid over to the said central society, association or convention. All property and proceeds from the sale of property so transferred to said central organization as hereinbefore provided, shall be used and applied for religious purposes within the State of North Dakota, and shall not be diverted for any other purpose.

Approved; March 5, 1915.

CHAPTER 95.

[S. B. No. 259—Albrecht.]

DOMESTIC CORPORATIONS.

AN ACT to Amend Section 5005 of the Compiled Laws of 1913, Relating to Non-profit Corporations.

Be it Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Section 5005 of the Compiled Laws of 1913 is amended and re-enacted to read as follows:

§ 5005. HOW FORMED.] A corporation for religious, educational, benevolent, charitable or scientific purposes or a commercial or social corporation not organized for profit may be formed in the manner provided in Chapter 12, amending Chapter 12 of the Civil Code of North Dakota.

Approved, March 5, 1915.

CHAPTER 96.

[S. B. No. 129—Albrecht.]

FOREIGN CORPORATIONS—RELATING TO.

AN ACT to Amend Section 5238 of the Compiled Laws of 1913, Relating to Foreign Corporations.

Be it Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.] That Section 5238 of the Compiled Laws of 1913, be amended to read as follows:

§ 5238. FOREIGN CORPORATIONS CAN DO BUSINESS IN THIS STATE, WHEN.] No foreign corporation, association or joint stock company, except an insurance company, shall sell or otherwise dis-

pose of its capital stock or transact any business within this state, or acquire, hold or dispose of property real or personal within this state until such corporation shall have filed in the office of the Secretary of State a copy of its articles of incorporation, and amendments if any, together with a certificate to the effect that the charter of the corporation has not been cancelled and that it is engaged in active business under its charter, both of which copy of articles and certificate shall be certified to by the Secretary of State of the state in which such corporation was incorporated or by the officer authorized to issue charter to such corporation (or if incorporated in a foreign country, then by the officer authorized to issue corporation charter) and shall have complied with the provisions of this Chapter; *provided*, that the provisions of this Chapter shall not apply to corporations created for religious or charitable purposes solely, nor to the holding and disposing of such real estate as may be acquired only by foreclosure or otherwise, in liquidation of mortgages or other securities by corporations which may not have complied with the provisions of this Article.

Approved, March 5, 1915.

CHAPTER 97.

[H. B. No. 236—Steenson.]

CORPORATIONS—SPECIAL MEETINGS.

AN ACT to Amend Section 4553 of the Compiled Laws of North Dakota for the Year 1913, Relating to Calling of Special Meetings of Corporations.

Be it Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. That Section 4553 of the Compiled Laws of North Dakota for the year 1913 be amended so as to read as follows:

§ 4553. WHEN CALLED BY A JUSTICE.] Whenever from any cause there is no person authorized to call or preside at a meeting of a corporation, any Justice of the Peace of the county or city where such corporation is established may, upon written application of three or more stockholders or members, issue a warrant to one of the stockholders or members directing him to call a meeting of the corporation by giving notice thereof, (which notice shall state the purpose of such meeting, time and place of holding the same, and shall be published three times, once in each week for three 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 printed at the seat of government, and justice may, in the warrant, direct such person to preside at such meeting, until a clerk is chosen and qualified if there is no other officer present legally qualified or authorized to preside thereat.

§ 2. EMERGENCY.] Whereas, an emergency exists in that there is no mode of giving notice of special meetings of corporations where such is not provided in the by-laws thereof, this Act shall take effect and be in force on and after its passage and approval.

Approved, March 9, 1915.

CHAPTER 98.

[H. B. No. 31—Stinger]

VALIDATING AND RE-INSTATING CANCELLED CORPORATIONS.

AN ACT Reinstating and Validating the Charters of Corporations that Have Been Cancelled for Failure to Make Reports as Required by and Under Section 4518 of the Revised Codes of 1913.

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 4518 of the Revised Codes of 1913, by reason of the failure to make and file with the Secretary of State a report as in said Section required, be and the same are hereby 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, 1915, make and file with the Secretary of State full and complete reports as in said Section prescribed, pay a penalty of ten (\$10.00) dollars and all arrearages in fees, and the charters of any corporation complying with the provisions of this statute within said period are 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 10, 1915.