

CORPORATIONS

CHAPTER 151

HOUSE BILL NO. 1251
(Committee on Industry, Business and Labor)
(At the request of the Securities Commissioner)

SECURITIES ACT AMENDMENTS

AN ACT to amend and reenact subsection 4 of section 10-04-03 of the North Dakota Century Code, relating to the collection of fees under the Securities Act, to amend and reenact subsection 6 of section 10-04-05 of the North Dakota Century Code, relating to the exemption from registration of certain blue chip securities with proven records, to amend and reenact section 10-04-08 of the North Dakota Century Code, relating to the registration of securities by qualification and to the fees charged for such registration, to amend and reenact subsection 6 of section 10-04-10 of the North Dakota Century Code, relating to the fees charged for registration of dealers, salesmen, and investment advisers under the Securities Act, to amend and reenact section 10-04-14 of the North Dakota Century Code, relating to service of process under the Securities Act, and to amend and reenact section 10-04-18 of the North Dakota Century Code, relating to the penalty for violations of the Securities Act.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Subsection 4 of section 10-04-03 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

4. All fees collected under this chapter shall be turned into
in to the general fund of the state treasury.

SECTION 2. AMENDMENT.) Subsection 6 of section 10-04-05 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6. ~~Securities--fully--listed,--or--regularly--approved--for--full
listing--upon--the--issuance--thereof,--upon--the--New--York--stock
exchange,--the--midwest--stock--exchange,--the--American--stock
exchange,--or--any--other--stock--exchange--approved--by--the
commissioner--as--hereinafter--provided,--and--all--securities
senior--or--equal--in--rank--to--any--securities--se--listed--or~~

approved,---or---represented---by---subscription---rights---or
warrants---which---have---been---so---listed---or---approved,---or
warrants---or---rights---to---purchase---or---subscribe---to---any---of---the
foregoing.---The---commissioner---may---by---written---order---approve
any---stock---exchange---in---addition---to---those---specified---in---this
subsection---and---any---securities---quoted---on---a---national
quotation---service---or---listed---on---a---federal---reserve---board
regulation---"T"---list---if---he---finds---that---it---would---be---in---the
public---interest---for---securities---listed---on---such---exchange---or
quoted---on---such---national---quotation---service---or---listed---on---a
federal---reserve---board---regulation---"T"---list---to---be---exempt
under---this---subsection.---The---commissioner---shall---have---power
at---any---time---by---written---order---to---withdraw---the---approval
heretofore---so---granted. Securities issued by an issuer
which meets all of the following conditions:

- a. If the issuer is not organized under the laws of the United States or a state, it has appointed a duly authorized agent in the United States for service of process and has set forth the name and address of such agent in its prospectus.
- b. A class of the issuer's securities is required to be and is registered under section 12 of the Securities Exchange Act of 1934 [Pub. L. 73-290; 48 Stat. 881; 15 U.S.C. 78a et seq.] and has been so registered for the three years immediately preceding the offering date.
- c. Neither the issuer nor a significant subsidiary has had a material default during the lesser of the last seven years or the issuer's existence in the payment of (1) principal, interest, dividend, or sinking fund installment on preferred stock or indebtedness for borrowed money, or (2) rentals under leases with terms of three years or more. A "material default" is a failure to pay, the effect of which is to cause indebtedness to become due prior to its stated maturity or to cause termination or reentry under a lease prior to its stated expiration, if the indebtedness or the rental obligation for the unexpired term exceeds five percent of the issuer's (and its consolidated subsidiaries') total assets, or if the arrearage in required dividend payments on preferred stock is not cured within thirty days.
- d. The issuer has had annual consolidated net income (before extraordinary items and the cumulative effect of accounting changes) as follows: (1) at least one million dollars in four of its last five fiscal years including its last fiscal year, and (2) if the offering is of interest-bearing securities, at least one and a half times its annual interest expense, calculating net income before deduction for income taxes and depreciation and giving effect to the

proposed offering and the intended use of the proceeds, for its last fiscal year. "Last fiscal year" means the most recent year for which audited financial statements are available, provided that such statements cover a fiscal period ended not more than fifteen months from the commencement of the offering.

- e. If the offering is of stock or shares (other than preferred stock or shares), and except as otherwise required by law, the securities have voting rights at least equal to the securities of each of the issuer's outstanding classes of stock or shares (other than preferred stock or shares), with respect to (1) the number of votes per share, and (2) the right to vote on the same general corporate decisions.
- f. If the offering is of stock or shares (other than preferred stock or shares), the securities are owned beneficially or of record, on any date within six months prior to the commencement of the offering, by at least one thousand two hundred persons, and on that date there are at least seven hundred fifty thousand of the shares outstanding with an aggregate market value, based on the average bid price, of at least three million seven hundred fifty thousand dollars. In determining the number of persons who are beneficial owners of the stock or shares, the issuer or a broker-dealer may rely in good faith upon written information furnished by record owners.
- g. Provided that, if the securities to be issued are listed, or approved for listing upon notice of issuance, on the New York stock exchange, inc., or the American stock exchange, inc., and the current original listing standards of that exchange are satisfied as of the end of the issuer's most recent fiscal year, the conditions of subdivision c need be met for only five years and the annual net earnings requirement of paragraph 1 of subdivision d shall be two hundred fifty thousand dollars.
- h. And provided further that, if the issuer of the securities is a finance company with liquid assets of at least one hundred five percent of its liabilities (other than deferred income taxes, deferred investment tax credits, capital stock, and surplus) at the end of each of its last five fiscal years, the net income requirement of paragraph 2 of subdivision d, but before deduction for interest expense, shall be one and a quarter times its annual interest expense. "Finance company" means a company engaged primarily in the business of wholesale, retail, installment, mortgage, commercial, industrial, or consumer financing, banking, or factoring. "Liquid assets"

means cash, receivables payable on demand or not more than twelve years following the close of the company's last fiscal year, and readily marketable securities, in each case less applicable reserves and unearned income.

SECTION 3. AMENDMENT.) Section 10-04-08 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

10-04-08. REGISTRATION BY QUALIFICATION.) Securities required to be registered by qualification under this chapter before they may be sold in this state shall be registered as provided in this section. Application for registration of securities by qualification shall be made by the issuer of the securities or by a registered dealer by filing in the office of the commissioner:

1. An application for registration which shall be made in writing or on forms prescribed by the commissioner and which shall contain the following information and be accompanied by the following documents:
 - a. With respect to the applicant or issuer and any significant subsidiary: its name, address, and form of organization; the state of foreign jurisdiction and date of its organization; the general character and location of its business; a general description of its physical properties and equipment; and a statement of the general competitive conditions in the industry or business in which it is or will be engaged.
 - b. With respect to every director and officer of the issuer, or person occupying a similar status or performing similar functions: his name, address, and principal occupation for the past five years; the amount of securities of the issuer held by him as of a specified date within thirty days of the filing of the application for registration; the amount of the securities covered by the ~~registration~~ statement application for registration to which he has indicated his intention to subscribe; and a description of any material interest in any transaction with the issuer or any subsidiary effected within the past three years or proposed to be effected.
 - c. With respect to persons covered by subdivision 6 b: the remuneration paid during the past twelve months and estimated to be paid during the next twelve months, directly or indirectly, by the issuer to all those persons in the aggregate.
 - d. With respect to any person owning of record, or beneficially if known, ten percent or more of the outstanding shares of any class of equity security of

the issuer: the information specified in subdivision 6 b other than his occupation.

- e. With respect to every promoter if the issuer was organized within the past three years: the information specified in subdivision 6 b, any amount paid to him within that period or intended to be paid to him, and the consideration for any such payment.
- f. With respect to any person on whose behalf any part of the offering is to be made in a non-issuer distribution: his name and address; the amount of securities of the issuer held by him as of the date of the filing of the application for registration; a description of any material interest in any transaction with the issuer or any subsidiary effected within the past three years or proposed to be effected; and a statement of his reasons for making the offering.
- g. The title, kind, classes, and amount of securities to be offered in this state; the proposed offering price to the public or the method by which it is to be computed; any variation therefrom at which any proportion of the offering is to be made to any person or class of persons other than the underwriters, with a specification of any such person or class; the basis upon which the offering is to be made if otherwise than for cash; the maximum amount of commission or other form of remuneration to be paid in cash or otherwise, directly or indirectly, for or in connection with the sale or offering for sale of such securities; the estimated aggregate underwriting and selling discounts or commissions and finders' fees, including separately cash, securities, contracts, or anything else of value to accrue to the underwriters or finders in connection with the offering, or, if the selling discounts or commissions are variable, the basis of determining them and their maximum and minimum amounts; the estimated amounts of other selling expenses, including legal, engineering, and accounting charges and a statement as to what person or corporation shall be responsible for payment of the same; the name and address of every underwriter and every recipient of a finder's fee; a copy of any underwriting or selling-group agreement pursuant to which the distribution is to be made, or the proposed form of any such agreement whose terms have not yet been determined; and a description of the plan of distribution of any securities which are to be offered otherwise than through an underwriter.
- h. The estimated cash proceeds to be received by the issuer from the offering; the purposes for which the

proceeds are to be used by the issuer; the amount to be used for each purpose; the amounts of any funds to be raised from other sources to achieve the purposes stated; the sources of any such funds; and, if any part of the proceeds is to be used to acquire any property, including good will, otherwise than in the ordinary course of business, the names and addresses of the vendors, the purchase price, the names of any persons who have received commissions in connection with the acquisition, and the amounts of any such commissions and any other expense in connection with the acquisition.

- i. A description of each and every stock option or other security option outstanding, or to be created in connection with the offering, including the price at which such options may be exercised together with the amount of any such options held or to be held by every person.
- j. The capitalization and long-term debt of the issuer and any subsidiary, including a description of each security outstanding or being registered or otherwise offered, and a statement of the amount and kind of consideration for which the issuer or any subsidiary has issued any of its securities within the past two years or is obligated to issue any of its securities.
- k. The dates of, parties to, and general effect concisely stated of, every management or other material contract made or to be made otherwise than in the ordinary course of business if it is to be performed in whole or in part at or after the filing of the application for registration or was made within the past two years, together with a copy of every such contract; and a description of any pending litigation or proceeding to which the issuer is a party and which affects its business or assets.
- l. A detailed statement showing the items of cash, property, services, patents, goodwill, and any other consideration for which any securities of the issuer have been within two years or are to be issued in payment.
- m. A copy of any prospectus, pamphlet, circular, form letter, advertisement, or other sales literature intended as of the effective date to be used in connection with the offering.
- n. A specimen or copy of the security being registered; a copy of the issuer's articles of incorporation and bylaws, as currently in effect; and a copy of any

registration fee less the actual cost to the state of processing and investigating as determined by the commissioner shall be returned to the applicant.

- (4) Provided, further, that any applicant may register additional securities under this subdivision before the expiration of one year from the date of the registration certificate at the same reduced fee, which shall be computed as provided in paragraphs 1 and 2 as a separate fee for each additional amount registered, as if the additional securities had been included in the other registration of that year, registration year and not calendar year.
- (5) For the renewal of the registration of securities for additional periods of one year there shall be paid a renewal fee of seventy-five dollars.

- b. (1) Open-end---management---companies,---mutual---funds, investment---trusts,---unit---investment---trusts, contract---plans,---and face amount certificates will pay a filing fee of fifteen dollars and a registration fee computed as follows:---One-tenth of one percent of the---first---two---hundred---fifty thousand---dollars---of---dollar---value, at offering prices,---or---maturity---value---of---face---amount certificates,---plus---one-twentieth-of-one-percent of the next---five---hundred---thousand---dollars---of dollar value, at offering price or maturity value of face amount certificates, plus one-fortieth of one percent of the---remaining---dollar value at offering price or maturity value of face amount certificates. Each open-end management company, unit investment trust, and face amount certificate company, as defined in the Investment Company Act of 1940 [Pub. L. 76-768; 54 Stat. 789; 15 U.S.C. 80a-1 et seq.] may register an indefinite number or amount of securities by including on the facing sheet of its registration statement a declaration that an indefinite number or amount of securities is being registered by such registration statement.
- (2) Provided,---also---that---on---application---to---register more than two hundred fifty thousand dollars, the commissioner may prescribe a maximum amount of securities to be registered at any time---by---any such---issuer---described---in---paragraph---(1). Provided, further, that any applicant wishing to register additional securities under this same paragraph before the expiration of one year from the date of the registration certificate may do

~~so-at-the-same-reduced-fee-as-if--the--additional
shares---had---been---included---in---the---other
registration-of-that-year--registration-year--and
net--calendar-year. At the time a declaration is
filed there shall be paid a registration fee of
two hundred fifty dollars.~~

- (3) Provided, further, that those issuers of several classes of such securities may not combine the registration of several classes ~~for-the-purpose
of-benefiting-from-the-graduated-scale-of-fees.~~
- (4) Each open-end management company, unit investment trust, and face amount certificate company, as defined in the Investment Company Act of 1940 [Pub. L. 76-768; 54 Stat. 789; 15 U.S.C. 80a-1 et seq.] having an effective registration statement relating to an indefinite number or amount of securities shall, within sixty days after the end of any fiscal year and after the registration is terminated, file a report of the amount of securities sold in this state during the fiscal year and shall pay a filing fee of one hundred dollars. Failure to file the report and fee shall be cause for the issuance of a stop order.
3. If the applicant is not domiciled in this state and is not a corporation organized or authorized to transact business under the laws of this state, a consent to service of process conforming to the requirements of section 10-04-14.
4. The commissioner may by rule or order require as a part of the application for registration under this section that a prospectus containing any designated part of the information specified in subsection 1 be submitted to the commissioner and the same prospectus shall be sent or given to each person to whom a sale or an offer of sale to sell is made. The commissioner may by rule or otherwise permit the omission of any item of information or document from any application for registration. In all cases in which an application is filed to register securities and a registration statement covering the same securities has been filed with the Federal Securities and Exchange Commission, a copy of the registration statement so filed shall be accepted by the commissioner in lieu of the information specified in subdivisions a- through g- of subsection 1, except that it shall be accompanied by a statement of the amount of such securities to be offered in this state. All of the statements, exhibits, or documents of every kind required under this section shall be certified by the applicant or the issuer or any person having knowledge of the facts. An applicant may, with the consent of the commissioner, amend or withdraw an

application and any or all statements, exhibits, or documents filed therewith under this section at any time prior to the registration or prior to any offering and sale of the securities sought to be registered or the entry of an order denying the registration of such securities, but in no event shall the registration fee be returned.

~~Additional amounts of securities registered under this section may, with the consent of the commissioner, be registered by payment of the proper registration fee, which shall be computed as provided in subsection 2 as a separate fee for each additional amount registered, and upon providing the commissioner with any additional information which he may request.~~

Registration under this section shall be effective for a period of one year and ~~may be renewed for additional periods of one year by filing by a date not later than fifteen days prior to the expiration of a registration, a balance sheet and a profit and loss statement of the issuer as of a date not more than ninety days prior to the date of filing, together with the payment of a renewal fee of fifty dollars, and upon providing the commissioner with any additional information which he may request,~~ except that the effectiveness of a registration for an indefinite number or amount of securities under paragraph 1 of subdivision b shall continue until terminated by either the commissioner or the issuer by filing within one hundred twenty days of the end of its fiscal year, an updated prospectus, a balance sheet, and a statement of income of the issuer.

SECTION 4. AMENDMENT.) Subsection 6 of section 10-04-10 of the 1977 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6. Fees. The fee, which must accompany the application, for registration and for each annual renewal thereof shall be:

- a. For each dealer employing five
fifteen or less fewer salesmen in
this state ----- \$ 75.00 100.00
- b. For each dealer employing more than
five, but not more than fifteen,
salesmen in this state ----- \$ 100.00 175.00
- c. ~~For each dealer employing more than~~
~~fifteen, but not more than thirty,~~
~~salesmen in this state ----- \$150.00~~
For each salesman

General examination -----	\$ 10.00
State law examination -----	\$ 5.00
Registration fee -----	\$ 15.00
Renewal fee -----	\$ 10.00

d. For each dealer employing more than thirty salesmen in this state-----	\$200.00
For each investment adviser	
General examination -----	\$ 10.00
State law examination -----	\$ 5.00
Registration fee -----	\$ 50.00
e. For each salesman	
Uniform examination -----	\$ 10.00
State law examination -----	\$ 5.00
Registration fee -----	\$ 12.50
Renewal fee -----	\$ 7.50
f. For each investment adviser	
General examination -----	\$ 10.00
State law examination -----	\$ 5.00
Registration fee -----	\$ 50.00

An application to register as a dealer, salesman, or investment adviser may, with the consent of the commissioner, be withdrawn upon written application, but in no event shall any registration fees be returned.

SECTION 5. AMENDMENT.) Section 10-04-14 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

10-04-14. CONSENT--TO--SERVICE SERVICE OF PROCESS.) Where a consent to service of process is required under this chapter, such consent to service of process shall be in the form prescribed by the commissioner, shall be irrevocable, and shall provide that actions arising out of or founded upon the sale of any securities in violation of this chapter may be commenced against the person executing such consent in any court of competent jurisdiction and proper venue within this state by the service of process or pleadings upon the commissioner. Service of any such process or pleadings in any such action against a person who has filed a consent to service with the commissioner shall, if made on the commissioner, be by duplicate copies, one of which shall be filed in the office of the commissioner and the other immediately forwarded by the commissioner by registered or certified mail to the person against whom such process or pleadings are directed at his latest address on file in the office of the commissioner.

1. Every applicant for registration under this chapter and every issuer which proposes to offer a security in this state through any person acting on an agency basis in the common-law sense shall file with the commissioner, in such form as he prescribes, an irrevocable consent appointing the commissioner or his successor in office to be his attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against him or his successor, executor, or administrator which arises under this chapter or any rule or order hereunder after the consent has been filed, with the same force and validity

as if served personally on the person filing the consent. A person who has filed such a consent in connection with a previous registration need not file another. Service may be made by leaving a copy of the process in the office of the commissioner, but it is not effective unless the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by him, forthwith sends notice of the service and a copy of the process by registered or certified mail to the defendant or respondent at his last address on file with the commissioner, and the plaintiff's affidavit of compliance with this subsection is filed in the case on or before the return day of the process, if any, or within such further time as the court allows.

2. When any person, including any nonresident of this state, engages in conduct prohibited or made actionable by this chapter or any rule or order hereunder, and he has not filed a consent to service of process under subsection 1 and personal jurisdiction over him cannot otherwise be obtained in this state, that conduct shall be considered equivalent to his appointment of the commissioner or his successor in office to be his attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against him or his successor, executor, or administrator which grows out of that conduct and which is brought under this chapter or any rule or order hereunder, with the same force and validity as if served on him personally. Service may be made by leaving a copy of the process in the office of the commissioner, and it is not effective unless the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by him, forthwith sends notice of the service and a copy of the process by registered or certified mail to the defendant or respondent at his last known address or takes other steps which are reasonably calculated to give actual notice, and the plaintiff's affidavit of compliance with this subsection is filed in the case on or before the return day of the process, if any, or within such further time as the court allows.
3. When process is served under this section, the court, or the commissioner in a proceeding before him, shall order such continuance as may be necessary to afford the defendant or respondent reasonable opportunity to defend.

SECTION 6. AMENDMENT.) Section 10-04-18 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

10-04-18. PENALTIES.) Any person who willfully violates any provision of this chapter or any rule or order of the commissioner made pursuant to the provisions of this chapter, or who engages in any act, practice, or transaction declared by any provision of this chapter to be unlawful shall be guilty of a class E B felony.

Approved March 8, 1979

CHAPTER 152

HOUSE BILL NO. 1473
(Representatives Kretschmar, Opedahl, Riehl)
(Senators Rait, Reiten)

UNCLAIMED DISTRIBUTIONS OF COOPERATIVES

AN ACT to create and enact a new section to chapter 10-15 of the North Dakota Century Code, relating to unclaimed distributions, redemptions, or payments of domestic cooperatives.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1.) A new section to chapter 10-15 of the North Dakota Century Code is hereby created and enacted to read as follows:

UNCLAIMED DISTRIBUTIONS, REDEMPTIONS, OR PAYMENTS.)

1. Any distribution of proceeds or redemption of, or payment based upon, any security by a domestic cooperative, excluding all credit unions, which remains unclaimed six years after the date authorized for retirement or payment in cash or other property, may be forfeited by the board. Any amount forfeited shall revert to the domestic cooperative, as contributed capital, if, at least six months prior to the declared date of forfeiture, notice that such payment is available has been mailed to the last known address of the person shown by the records to be entitled thereto, or if the address is unknown, notice is published under section 10-15-23.
2. This section applies to all such payments authorized before or after the effective date of this section.

Approved March 15, 1979

CHAPTER 153

HOUSE BILL NO. 1394
(Boyum)

DEPOSIT OF SECURITIES IN CENTRAL DEPOSITORY

AN ACT to create and enact a new subsection to section 41-08-36, and a new section to chapter 10-18.1 of the North Dakota Century Code, relating to the holding and transferring of securities deposited with clearing corporations.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1.) A new subsection to section 41-08-36 of the North Dakota Century Code is hereby created and enacted to read as follows:

Under this section a clearing corporation shall, upon written request, furnish to any issuer within a reasonable time a list disclosing the names of all persons who have securities of the issuer in their account with a depository and including a statement of the principal amount or number of units of each such security of the issuer on deposit. The clearing corporation may charge the issuer a fee for such written list provided, however, that the fee shall bear a reasonable relation to the cost of furnishing such list.

SECTION 2.) A new section to chapter 10-18.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

DEPOSIT OF SECURITIES IN CENTRAL DEPOSITORY.) Notwithstanding any other provision of law, any fiduciary, as defined in section 10-18.1-01, holding securities in its fiduciary capacity, any bank or trust company holding securities as a custodian or managing agent, and any bank or trust company holding securities as custodian for a fiduciary is authorized to deposit or arrange for the deposit of such securities in a clearing corporation, as defined in section 41-08-02. When such securities are so deposited, certificates representing securities of the same class of the same issuer may be merged and held in bulk in the name of the nominee of such clearing corporation with any other such securities deposited in such

clearing corporation by any person regardless of the ownership of such securities, and certificates of small denomination may be merged into one or more certificates of larger denomination. The records of such fiduciary and the records of such bank or trust company acting as custodian, as managing agent or as custodian for a fiduciary shall at all times show the name of the party for whose account the securities are so deposited. Title to such securities may be transferred by bookkeeping entry on the books of such clearing corporation without physical delivery of certificates representing such securities. A bank or trust company so depositing securities pursuant to this section shall be subject to such rules and regulations as, in the case of state chartered institutions, the state banking board and, in the case of national banking associations, the comptroller of the currency may from time to time issue. A bank or trust company acting as custodian for a fiduciary shall, on demand by the fiduciary, certify in writing to the fiduciary the securities so deposited by such bank or trust company in such clearing corporation for the account of such fiduciary. A fiduciary shall, on demand by any party to a judicial proceeding for the settlement of such fiduciary's account or on demand by the attorney for such party, certify in writing to such party the securities deposited by such fiduciary in such clearing corporation for its account as such fiduciary.

This section shall apply to any fiduciary holding securities in its fiduciary capacity, and to any bank or trust company holding securities as a custodian, managing agent or custodian for a fiduciary, acting on the effective date of this section or who thereafter may act regardless of the date of the agreement, instrument or court order by which it is appointed and regardless of whether or not such fiduciary, custodian, managing agent or custodian for a fiduciary owns capital stock of such clearing corporation.

Approved March 8, 1979

CHAPTER 154

SENATE BILL NO. 2331
(Melland)

NONPROFIT CORPORATION TRUST POWERS

AN ACT to create and enact two new subsections to section 10-24-05 of the North Dakota Century Code, relating to the general powers of a nonprofit corporation, and providing that a nonprofit corporation shall have power to act as a trustee of a trust and be a remainderman beneficiary of a trust for which it acts as a trustee.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1.) Two new subsections to section 10-24-05 of the North Dakota Century Code are hereby created and enacted to read as follows:

To act as a trustee of a trust.

To be a remainderman beneficiary of a trust for which the corporation acts as a trustee.

Approved March 10, 1979

CHAPTER 155

SENATE BILL NO. 2422
(Nething, Melland)

LOANS TO A STATE DEVELOPMENT
CORPORATION

AN ACT to amend and reenact section 10-30-02 of the North Dakota Century Code, relating to purposes of a state development corporation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 10-30-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

10-30-02. PURPOSES.) The purpose of the corporation is to assist, encourage, and through the cooperative efforts of the institutions and corporations which from time to time become members thereof, develop and advance the business prosperity and economic welfare of this state; to encourage and assist in the location of new business and industry in this state and to rehabilitate existing business and industry; to stimulate and assist in the expansion of all kinds of business activity which will tend to promote the business development and maintain the economic stability of this state, and provide maximum opportunities for employment; to cooperate and act in conjunction with other organizations, public or private, the objects of which are the promotion and advancement of industrial, commercial, agricultural, and recreational developments in this state; and to furnish money and credit to approved and deserving applicants for the promotion, development, and conduct of all kinds of business activity in this state, thereby establishing a source of credit not otherwise readily available therefor. In furtherance of these purposes, the Bank of North Dakota is authorized to make loans to the corporation.

Approved March 15, 1979