

And be it further Resolved, That certified copies of this joint resolution be forwarded by the Governor of this state to the Secretary of State for the United States of America, at Washington, and to the President of the Senate and the Speaker of the House of Representatives of the National Congress.

Approved February 18, 1913.

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## CORPORATIONS

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### CHAPTER 106.

[S. B. No. 218—Porterfield.]

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#### CORPORATIONS, FEES, ANNUAL REPORTS.

AN ACT to Amend Section 4190, Article 2, of Chapter 11 of the Revised Codes of the State of North Dakota of 1905, Relating to the Disposition of Fees Collected for the Filing of the Annual Reports of Corporations.

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

§ 1. AMENDMENT.] That Section 4190, or Article 2, of Chapter II, of the Revised Codes of North Dakota of 1905 be amended to read as follows:

§ 4190. FEES, HOW DISPOSED OF.] The Secretary of State shall keep an accurate account of all moneys coming to his department, and shall turn over and pay to the State Treasurer any and all moneys for fees collected by him under the provisions of this article. Such fees must be paid in advance, and when collected must be paid into the state treasury at the end of each month and placed to the credit of the general fund.

Approved March 10, 1913.

**CHAPTER 107.**

[S. B. No. 291—Porterfield.]

**RENEWAL OF TERM OF CORPORATION OF BUILDING  
LOAN ASSOCIATIONS.**

AN ACT to Amend and Re-enact Section 4610 of the Revised Codes of 1905, as Amended by Chapter 56 of the Session Laws of 1907, Relating to Building and Loan Associations.

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

§ 1. AMENDMENT.] Section 4610 of the Revised Codes of 1905, as amended by Chapter 56 of the Session Laws of 1907, be amended and re-enacted so as to read as follows:

4610. HOW FORMED.] Any ten or more persons may form a corporation for the purpose of doing business as a building and loan association in the manner provided in this chapter, and, except as otherwise provided, the provisions of articles one to twelve, inclusive, of Chapter 11 of this Code shall be applicable to such corporation; provided that the term of corporate existence of any such association may be renewed for a term of years, not exceeding the period limited by law, at any regular directors' meeting of such corporation by a two-thirds vote of the directors of said corporation, and the certificate of the chairman and secretary of such directors' meeting, evidencing such vote and renewal and filed with the Secretary of State shall be effectual to accomplish such renewal, and shall be recorded by the Secretary of State in the book of corporations, and thereupon the terms of the existence of such corporation shall be renewed for the term provided by said vote and certificate. Such corporation may do business outside of the state if it shall have expressed its intention so to do in its articles of incorporation, and no foreign building and loan association or corporation organized to do business as a building and loan association in any foreign state shall be authorized to transact any business as such corporation in the state of North Dakota until they shall have first deposited with the State Treasurer lawful money of the United States, or bonds, securities, or other evidences of indebtedness owned and held by such foreign corporation in the amount of twenty-five thousand dollars, the sufficiency of said bonds or mortgages so deposited to be approved by the State Treasurer, and such moneys, bonds or securities so deposited shall be subject to assessment and the levy and collection of taxes against the same in the same manner as if said property was owned and controlled by a resident of the state of North Dakota, and no business shall be trans-

acted in the state of North Dakota by any such foreign corporation until they have deposited with the State Treasurer the moneys or securities herein before mentioned and secured the Treasurer's receipt for such deposit. The said moneys or securities so deposited shall be surrendered to the corporation depositing the same whenever they shall present the certificate of the public examiner that all liabilities on the part of such corporation to any citizen of the state have been fully discharged, and not otherwise; provided, however, that for the purpose of this act any foreign corporation which issues certificates or contracts to citizens of this state whereby it agrees that in consideration of certain stipulated monthly payments to said corporation it will either buy or build a home, or loan money upon real estate, shall be considered and held to be foreign building and loan associations.

§ 2. EMERGENCY.] An emergency exists in that there is no law specifically providing for the renewal of the term of corporation existence of building and loan associations; therefore, this act shall take effect and be in force immediately after its passage and approval.

Approved March 3, 1913.

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## CHAPTER 108.

[H. B. No. 372—Twichell.]

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### CEMETERY CORPORATIONS.

AN ACT to Amend Section 4588 of the Revised Codes of North Dakota of 1905, Relating to the Powers of Cemetery Corporations.

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

§ 1. AMENDMENT.] Section 4588 of the Revised Codes of North Dakota for 1905, relating to the powers of cemetery corporations, is hereby amended to read as follows:

§ 4588. POWERS.] Such corporation has power to inclose, improve and embellish its grounds, avenues and walks, and to erect buildings or vaults for its use, and to prescribe in its by-laws rules for the sale, inclosure and ornamentation of lots and for erecting monuments or gravestones thereon; and to prohibit any use, division, improvement or ornamentation of any lot, which the corporation may deem improper; and to make other by-laws and acts to the end that all the appliances, conveniences and benefits of a public and private cemetery may be obtained and secured; and such corporation may receive by gift,

devise, bequest or otherwise, moneys or real or personal property or the income or avails of such moneys or property in trust, in perpetuity, for the perpetual and permanent improvement, maintenance, ornamentation, repair, care and preservation of any burial lot or grave, vault or tomb in any cemetery owned or controlled by such corporation, upon such terms and in such manner as may be provided by the terms of such gift, devise, bequest or other conveyance of such moneys or property in trust, and assented to by such corporation, and subject to the rules and regulations of such corporation; and every such cemetery corporation owning or controlling any such cemetery may make contracts with the owner, legal representatives of such owner of any lot, grave, vault or tomb in such cemetery for the perpetual and permanent improvement, maintenance, ornamentation, care, preservation and repair of any such lot, grave, vault or tomb in such cemetery owned or controlled by such corporation.

Approved March 14, 1913.

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## CHAPTER 109.

[S. B. No. 89—Judiciary Committee.]

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### SUPERVISION OF INVESTMENT COMPANIES.

AN ACT to Provide for the Regulation and Supervision of Investment Companies and Providing Penalties for the Violation Thereof.

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

§ 1. Every corporation, every co-partnership or company and every association (other than state and national banks, savings banks, trust companies, real estate mortgage companies dealing exclusively in real estate mortgage notes, and corporations not organized for profit), organized or which shall be organized in this state, whether incorporated or unincorporated, which shall sell or negotiate for the sale of any stocks, or investment bonds, or investment certificates of any corporation, foreign or domestic other than bonds of the United States, the State of North Dakota, or of some municipality of the State of North Dakota, to any person or persons in the State of North Dakota, other than those specifically exempted herein, shall be known for the purpose of this Act as a domestic investment company. Every such investment company organized in any other state, territory or government, or organized under the laws of any other state, territory or

government, shall be known for the purpose of this Act as a foreign investment company.

§ 2. Before offering or attempting to sell any stocks, or investment bonds, or investment certificates of any kind or character other than those specifically exempted in Section 1 of this Act to any person or persons, or transacting any business whatever in this state, excepting that of preparing the documents hereinafter required, every such investment company, domestic or foreign, shall file in the office of the state examiner of this state, in addition to those required by law to be filed by corporations and associations in the office of the secretary of state, together with a filing fee of fifteen dollars, the following documents, to-wit: a statement showing in full detail the plan upon which it proposes to transact business; a copy of all contracts, bonds and other instruments which it proposes to make with or sell to its contributors or customers; a statement which shall show the name and location of the investment company, and an itemized account of its actual financial condition, and the amount of its property and liabilities, and such other information touching its affairs as said state examiner may require. If such investment company shall be a co-partnership or an unincorporated association, it shall also file with the state examiner a copy of its articles of co-partnership or association, and all other papers pertaining to its organization; and if it be a corporation organized under the laws of North Dakota it shall also file with the state examiner a copy of its articles of incorporation, constitution and by-laws, and all other papers pertaining to its organization. If it shall be an investment company organized under the laws of any other state, territory or government, incorporated or unincorporated, it shall also file with the said state examiner a copy of the laws of such state, territory or government under which it exists or is incorporated, and also a copy of its charter, articles of incorporation, constitution and by-laws and all amendments thereof which have been made and all other papers pertaining to its organization.

§ 3. All of the above described papers shall be verified by the oath of a member of a co-partnership or company, if it be a co-partnership or company, or by the oath of a duly authorized officer, if it be an incorporated or unincorporated association. All such papers, however, as are recorded or are on file in any public office shall be further certified to by the officer of whose records or archives they form a part as being correct copies of such records or archives.

§ 4. Every foreign investment company shall also file

its written consent, irrevocable, that actions may be commenced against it, in the proper court of any county in this state in which a cause of action may arise, or in which the plaintiff may reside, 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 on 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 investment company and by the signatures of all the members of the co-partnership or company, and by the signature of all members of the co-partnership or company, or by the signatures of the president and secretary of the incorporated or unincorporated association, if it be an incorporated or unincorporated association, 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.

§ 5. It shall be the duty of the state examiner to examine the statements and documents so filed, and if said state examiner shall deem it advisable he shall make or have made a detailed examination of such investment company's affairs, which examination shall be at the expense of such investment company, as hereinafter provided; and if he finds that such investment company is solvent, that its articles of incorporation, or association, its constitution and by-laws, its proposed plan of business and proposed contract, contain and provide for a fair, just and equitable plan for the transaction of business, and in his judgment promises a fair return on the stocks, bonds and other securities by it offered for sale, the state examiner shall issue to such investment company a statement reciting that such company has complied with the provisions of this act, that detailed information in regard to the company and its securities is on file in the state examiner's office for public inspection and information, that such investment company is permitted to do business in this state, and such statement shall also recite in bold type that the state examiner in no wise recommends the securities to be offered for sale by such security company. But if said state examiner finds that such articles of incorporation or association, charter, constitution and by-laws, plan of business or proposed contract contain any provision that is unfair, unjust, inequitable or oppressive to any class of contributors or customers, or if he decides from his examination of its affairs that said investment company is not

solvent or does not intend to do a fair and honest business, or in his judgment does not promise a fair return on the stocks, bonds or other securities by it offered for sale, then he shall notify such investment company in writing of his findings, and it shall be unlawful for such company to do any further business in this state until it shall so change its constitution and by-laws, articles of incorporation or association, its proposed plan of business and proposed contract and its general financial condition in such manner as to satisfy the state examiner that it is solvent, and its articles of incorporation or association, its constitution and by-laws, its proposed plan of business and proposed contracts, provide for a fair, just and equitable plan for the transaction of business, and does, in his judgment, promise a fair return on the stocks, bonds and other securities by it offered for sale; *provided*, that all expenses paid or incurred and all fees or charges received or collected for any examination made under the provisions of this Section of this Act shall be reported in detail by the state examiner and a full report and record made thereof in detail.

§ 6. It shall not be lawful for any investment company, either as principal or agent, to transact any business in form or character similar to that set forth in Section 1 of this Act, except as is provided in Section 2 of this Act, until it shall have filed the papers and documents above provided for. No amendment of the charter, articles of incorporation, constitution and by-laws of any such investment company 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, constitution and by-laws, nor shall it be lawful for any such investment company 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 any contracts other than that shown in the copy of the proposed contract 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 contract shall have been filed with the state examiner, in like manner as provided in regard to the original plan of business and proposed contract, and the consent of the state examiner obtained as to making such proposed new plan of business and proposed new contract.

§ 7. Any investment company may appoint one or more agents, but no such agent shall do any business for said investment company in this state until he shall first register with the state examiner as agent for such invest-

ment company, and for each such registrations there shall be paid to the state examiner the sum of two dollars. Such registration shall entitle such agent to represent said investment company as its agent until the first day of March following, unless said authority is sooner revoked by the state examiner, and such authority shall be subject to revocation at any time by the state examiner for cause appearing to him sufficient.

§ 8. An appeal may be taken from the decision of the state examiner to grant the statement provided for in this act to the district court of any county in the state of North Dakota.

Such appeal may be taken by filing with the clerk of said court a certified transcript of all papers on file in the office of the state examiner relating to such application and decision, within thirty days after the rendition of such decision, and serving notice of such appeal upon said examiner and filing a bond in the sum of \$250.00 with said clerk, conditioned for payment of all costs in case said appeal is dismissed and decision of the examiner sustained, said bond to be approved by the clerk of said court as provided for approval of bonds in arrest and bail proceedings. The judge shall hear said appeal not less than ten nor more than thirty days after the filing of said appeal with the clerk, the day of hearing to be fixed by the court. The case shall be tried in all respects as a court case without a jury, and costs shall be allowed and taxed as costs are now taxed in said courts in civil actions, and upon like notice.

§ 9. Every investment company, domestic or foreign, shall file at the close of business on December 31st of each year, and at such other times as required by the state examiner, a statement verified by the oath of the co-partnership or company, if it be a co-partnership or company, or by the oath of a duly authorized officer, if it be an incorporated or unincorporated association, setting forth in such form as may be prescribed by the said state examiner, its financial condition and the amount of its assets and liabilities, and furnishing such other information concerning its affairs as said state examiner may require. Each regular statement of December 31st shall be accompanied by a filing fee of two dollars and fifty cents. Any investment company failing to file its report at the close of business December 31st of each year or within ten days of that date, or failing to file any other or special report herein required within thirty days after receipt of request or requisition therefor, shall forfeit its right to do business in this state, and shall be subject to such further penalties as hereinafter provided for violation of this Act.



§ 10. The general accounts of every investment company, domestic or foreign, doing business in this state, shall be kept in double entry, and such company, its co-partners or managing officers, shall at least once in each month make a trial balance of such accounts which shall be recorded in a book provided for that purpose; such trial balance and all other books and accounts of such company shall at all times during business hours, except on Sundays and legal holidays, be open to the inspection of stockholders and investors in said company or investors in the stocks, investment bonds or investment certificates by it offered for sale and to the state examiner and his deputies.

§ 11. The state examiner shall have general supervision and control, as provided by this Act, over any and all investment companies, domestic or foreign, doing business in this state, and all such investment companies shall be subject to examination by the state examiner or his duly authorized deputies at any time the state examiner may deem it advisable and in the same manner as is now provided for the examination of state banks. The rights, powers and privileges of the state examiner in connection with such examinations shall be the same as is now provided with reference to the examination of state banks; and such investment company shall pay a fee for each of such examinations, not to exceed fifteen dollars for each day or fraction thereof, plus the actual traveling and hotel expenses of said state examiner or deputy that he is absent from the capitol building for the purpose of making such examination, and the failure or refusal of any investment company to pay such fee upon demand of the state examiner, or deputy, shall work a forfeiture of its right to do business in this state.

§ 12. Whenever it shall appear to the state examiner that the assets of any investment company doing business in this state are impaired to the extent that the assets do not equal its liabilities, or that it is conducting its business in an unsafe, inequitable or unauthorized manner, or is jeopardizing the interests of its stockholders or investors in stocks, investment bonds or investment certificates by it offered for sale, or whenever any investment company shall fail or refuse to file any papers, statements or documents required by this Act, without giving satisfactory reasons therefor, said state examiner shall at once communicate such facts to the attorney general, who shall thereupon apply to any district court, or a judge thereof, for the appointment of a receiver to take charge of and wind up the business of such investment company; and if such fact or facts be made to appear, it shall be sufficient evidence to

authorize the appointment of a receiver and the making of such order and decrees in such cases as equity may require.

§ 13. Any person who shall knowingly or wilfully subscribe to or make or cause to be made any false statements or false entry in any book of such investment company, or exhibit any false paper with the intention of deceiving any person authorized to examine into the affairs of such investment company, or shall make or publish any false statement of the financial condition of such investment company, or the stocks, investment bonds or investment certificates by it offered for sale, shall be deemed guilty of a felony, and upon conviction thereof shall be fined not less than two hundred dollars nor more than ten thousand dollars, or shall be imprisoned for not less than one year nor more than ten years in the state penitentiary, or by both such fine and imprisonment.

§ 14. Any person or persons, agent or agents, who shall sell or attempt to sell the stock, investment bonds or investment certificates of any investment company, domestic or foreign, or the stock, investment bonds or investment certificates by it offered for sale, who have not complied with the provisions of this Act; or any investment company, domestic or foreign, which shall do any business, or offer or attempt to do any business, except as provided in Section 2 of this Act, which shall not have complied with the provisions of this Act; or any agent or agents who shall do or attempt to do any business for any investment company, domestic or foreign, in this state, which agent is not at the time duly registered and has fully complied with the provisions of this Act, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined for each offense not less than one hundred dollars nor more than five hundred dollars, and by imprisonment in the county jail for not more than ninety days.

§ 15. 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.

§16. All Acts and parts of Acts in conflict herewith are hereby repealed.

§ 17. EMERGENCY.] Whereas, an emergency exists in this, that there is no law in this state on this subject, therefore this bill shall be in force and effect immediately upon its passage and approval.

Approved March 13, 1913.

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## CHAPTER 110.

[S. B. No. 166—Ellingson.]

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### REINSTATING AND VALIDATING CORPORATIONS.

AN ACT Reinstating 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, 1913, make and file with the said Secretary of State full and complete reports as in said section prescribed, pay a penalty of ten dollars and all arrearages in fees, 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 20, 1913.

## CHAPTER 111.

[H. B. No. 159—Wiley.]

## CORONER'S FEES.

AN ACT to Amend Section 2607 of the Revised Codes of North Dakota 1905, Relating to Coroner Fees.

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

§ 1. AMENDMENT.] Section 2607 of the Revised Codes of 1905 is hereby amended to read as follows:

§ 2607. FEES TO BE CHARGED.] The coroner shall be entitled to charge and receive the following fees:

1. For a view of each body and taking and returning an inquest, five dollars (\$5.00.)
2. For a view of each body and examination without inquest, three dollars (\$3.00).
3. For taking information, fifty cents (50c).
4. For issuing subpoena, warrant or order for jury, fifty cents (50c).
5. For qualifying an inquest, fifty cents (50c).
6. For administering an oath or affirmation to witness, ten cents (10c).
7. For each adjournment, fifty cents (50c).
8. For taking depositions, drawing and returning inquisitions, for each ten words, one cent (1c).
9. For each mile traveled to and returning from an examination or inquest, ten cents (10c); *provided*, that when it is necessary to travel by team, the actual cost of the same may be charged in addition to such mileage not exceeding five dollars (\$5.00) per day.
10. For physician making post mortem examination of deay body, ten dollars (\$10.00).
11. For other services rendered, the same fees as are allowed for the sheriff, and mileage.
12. Such fees shall be paid out of the county treasury, and the bill for the same be filed by the county auditor with the county judge, but in all cases of murder or manslaughter, out of the goods, chattels, lands and tenements of the slayers, if he has any; otherwise, by the county, with mileage for distance actually traveled to and from the place of securing the dead body.

Approved March 13, 1913.