
CORPORATIONS

CHAPTER 114

House Bill No. 256

(Maher, Haugen of McLean, Lindberg, Erickson)

**DEFINING SECURITIES EXEMPTED FROM
SUPERVISION OF ISSUE AND SALE****AN ACT**

To amend and reenact section 10-0403 of the 1947 Supplement to the North Dakota Revised Code of 1943, defining securities exempted from the provisions of Chapter 10-04 of the North Dakota Revised Code of 1943, and declaring an emergency.

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

SECTION 1. AMENDMENT!) Section 10-0403 of the 1947 Supplement to the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

10-0403. SECURITIES EXEMPTED FROM THE PROVISIONS OF THIS CHAPTER.) The provisions of this chapter, except as otherwise herein expressly provided, shall not apply to the following securities:

1. Any security issued or guaranteed by the United States or by any state, territory, or insular possession thereof;
2. Any security which is a general obligation of, or which is or may be payable directly or indirectly from ad valorem taxes levied by any county, city, village, township, school district, or other public taxing subdivision of the United States or of any state, territory, or insular possession thereof, or payable from assessments for improvements or revenues of publicly owned utilities therein; if in each of the ten fiscal years next preceding the date of the issuance of the securities, the issuing taxing district has paid the matured principal and interest due on all of its outstanding general obligations, and if its net debt, as defined by law under which the securities are issued, does not exceed ten percent of the assessed valuation of all of the taxable property within such taxing district;
3. Any security issued or guaranteed as to principal, interest, or dividends, by a corporation owning or op-

- erating a railroad or other public service utility, if the corporation is subject to regulation or supervision either as to its rates and charges or as to the issue of its securities by a public service commission, or by a board, body, or official having like powers, of the United States or of any state, territory, or insular possession thereof, or of any municipality located therein, or of the District of Columbia, or of the Dominion of Canada or any province thereof. Provided, however, that a corporation issuing securities, exempted under this subdivision, and who have not filed an application for approval of such securities with the public service commission of the state of North Dakota, shall file with the secretary of the North Dakota securities commission a copy of the registration statement with all amendments thereto filed with the securities and exchange commission of the United States, if such a registration statement is made or filed, or a copy of the information statement made to or filed with any commission, board, or body of the United States or of any state, territory, or insular possession thereof, or of any municipality located therein, or of the District of Columbia, or of the Dominion of Canada, or any province thereof, by which said corporation is subject to regulation or supervision either as to its rates and charges or as to the issue of its securities, and shall pay a filing fee of twenty-five dollars;
4. Any equipment security based on a chattel mortgage, lease, or agreement for the conditional sale of cars, motive power, or other rolling stock mortgaged, leased, sold to or furnished for the use of a railroad or other public service utility corporation, and any equipment security where the ownership of or title to such equipment is pledged or retained in accordance with the provisions of the laws of the United States or of any state thereof, or of the Dominion of Canada, to secure the payment of such equipment security whether it be an equipment trust certificate, bond, or note;
 5. Any bond, note, or other evidence of debt issued by a holding corporation and secured by collateral consisting of any of the securities described in subsection 3 and 4 of this section, if the collateral securities equal in fair value at least one hundred twenty-five percent of the par value of the bonds, notes, or other evidences of debt secured thereby. Before any security described in this subsection is offered for sale,

the person intending to offer it shall file with the commission descriptive circulars of the collateral securities, and pay a filing fee to the commission of twenty-five dollars, and unless the commission makes its order within three days after the receipt of such circulars requiring the securities to be qualified by application under this chapter, the securities shall be exempt;

6. The securities of any state or national bank or trust company, or of any building and loan association, or savings and loan associations or credit union; authorized to do business in this state and securities of any corporation, firm or association, subject to examination by the state examiner;
7. The securities of any domestic corporation organized without capital stock for charitable or reformatory purposes; or
8. Any security listed on the New York stock exchange, the New York curb exchange, or the Chicago stock exchange and such other exchanges as may be approved by the North Dakota securities commission, pursuant to official authorization by the exchange on which it is listed and any additional amount of such listed securities which may have been approved for listing upon notice of issuance by said stock exchanges named or hereafter approved by the North Dakota securities commission, and all securities senior to any securities so listed or represented by subscription rights which have been so listed, and any evidence of indebtedness guaranteed by any company the stock of which is so listed. Securities exempted under this subsection shall be exempt only so long as the listing herein described remain in effect;
9. Any security issued by any corporation, cooperative, company or association, whose earnings are distributed to its members, stockholders, or patrons according to patronage.

SECTION 2. EMERGENCY.) This act is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

Approved March 15, 1949.

CHAPTER 115

Senate Bill No. 228
(Day)

CORPORATE MEETINGS, WHERE HELD; APPOINTMENT
RESIDENT AGENT

AN ACT

To amend and reenact section 10-0513 of the North Dakota Revised Code of 1943, providing the place of holding stockholders' and directors' meetings of corporations; providing for place of keeping minutes and providing for appointment of resident agency when directors' meeting held outside state.

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

SECTION 1. AMENDMENT.) Section 10-0513 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

10-0513. MEETINGS OF STOCKHOLDERS AND DIRECTORS: WHEN HELD; MINUTES TO BE KEPT; APPOINTMENT OF RESIDENT AGENT.) The meetings of stockholders of any corporation created and existing under and by virtue of the laws of this state held for the purpose of the election of directors may be held at such place within or without the state as may be provided in its by-laws except that if a resident stockholder, within thirty days before the annual meeting, files with the secretary of the corporation a written demand that such meeting be held within this state, then such meeting shall be held within this state. The originals or attested copies of all minutes of all meetings of the stockholders and directors of such corporation must be kept at the office or principal place of business of such corporation within this state. Meetings of the board of directors may be held at any place within or without the state as may be provided in the by-laws. Any such corporation holding the meetings of its directors without this state must have appointed an agent resident in this state upon whom service may be made, and filed such appointment in the office of the secretary of state.

Approved March 19, 1949.

CHAPTER 116

House Bill No. 239

(Haugen of McLean, Lindberg, Erickson and Maher)

ADOPTION STATUTORY PROVISIONS GOVERNING MUTUAL AID
CORPORATIONS BY CORPORATIONS, ETC. ORGANIZED
UNDER PREVIOUS STATUTES

AN ACT

Authorizing any corporation or association organized under previously existing statutes, to adopt and be bound by the provisions of chapter 10-12 of the North Dakota Revised Code of 1943, relating to mutual aid corporations.

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

SECTION 1.) Any corporation or association organized and incorporated under previously existing statutes having not less than five stockholders or members, which, by a majority vote of its stockholders or members, shall amend its articles of incorporation to provide for the acceptance of the provisions of chapter 10-12 of the North Dakota Revised Code of 1949, shall have the benefit and shall be bound by all the provisions of such chapter, upon filing with the secretary of state a certificate signed by its president and secretary setting forth such amendment and the vote by which it was adopted.

Approved March 10, 1949.

COUNTIES

CHAPTER 117

Senate Bill No. 178

(Blume, Troxel and Solberg)

COUNTY REDISTRICTING

AN ACT

To amend and reenact section 11-0704 of the North Dakota Revised Code of 1943 relating to the redistricting of counties.

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

SECTION 1. AMENDMENT.) Section 11-0704 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows: