

shall take and subscribe an oath or affirmation before a judge or a clerk of one of the courts of record of the state or territory in which such commissioner shall reside, well and faithfully to execute and perform all the duties of such commissioner, under and by virtue of the laws of the Territory of Dakota, which oath, with a description or impression of his seal of office, shall be filed in the office of the secretary of this territory.

SECT. 5. This act shall take effect and be in force from and after its passage. Take effect, when.

Approved April 12, 1862.

W. JAYNE, *Governor.*

CORPORATIONS.

CHAPTER 11.

AN ACT TO PROVIDE FOR CORPORATIONS FOR MANUFACTURING, MINING, LUMBERING, AGRICULTURAL, MECHANICAL, AND CHEMICAL PURPOSES.

Be it enacted by the Legislative Assembly of the Territory of Dakota:

SECTION 1. Any three or more persons desirous of forming a corporation for the purpose of carrying on any kind of manufacturing, mining, lumbering, agricultural, mechanical, or chemical business, may make, sign, and acknowledge, before some officer authorized to take the acknowledgment of deeds, a certificate in writing, in which shall be stated the name of such corporation, and the object for which the corporation shall be formed, the amount of the capital stock of such corporation, the term of its existence (which shall not exceed ten years), the number of shares of which said stock shall consist, the number of trustees, and their names, who shall manage the concerns of said corporation for the first

Persons desirous of forming corporation, make and sign certificate — to contain what.

year, and the names of the town and county in which the operations of said corporation are to be carried on.

Certificate to be filed, where.

SECT. 2. Such certificate shall be filed in the office of register of deeds of the county in which the business of the corporation shall be carried on, and a duplicate thereof shall be filed in the office of the secretary of the territory.

When filed, persons signing shall be known as corporate body, with what powers.

SECT. 3. When such certificate shall have been filed as aforesaid, the persons who shall have signed and acknowledged the same, and their successors, shall be a body politic and corporate, by the name stated in such certificate, and by that name may have succession, and shall be capable of suing and being sued, and they may have a common seal, and may alter the same at pleasure; and they shall, by their corporate name, be capable of purchasing, holding, and conveying any real and personal estate whatever, which may be necessary to enable the said corporation to carry on the business named in such certificate, but shall not mortgage the same, or give any lien thereon: *Provided*, That the amount of real estate so owned and held shall not at any time exceed forty acres to each stockholder in such corporation, unless it shall be an agricultural corporation.

Proviso.

Business managed by trustees.

SECT. 4. The stock, property, and concerns of such corporation shall be managed by not less than three nor more than nine trustees, who shall respectively be stockholders in such corporation, and who shall, except the first year, be annually elected by the stockholders, at such time and place as shall be directed by the by-laws of the corporation.

Notice of election of trustees to be given, how.

SECT. 5. Public notice of the time and place of holding such election shall be given, not less than ten days previous thereto, by publication in the newspaper printed nearest the place where the business of the corporation shall be carried on, or in such other manner as shall be prescribed by the by-laws of the corporation; and the election shall be made by such of the stockholders as shall attend for that purpose, either in person or by proxy.

Election to be by ballot.

SECT. 6. All elections shall be by ballot, and each stockholder shall be entitled to one vote in said corporation; and the persons receiving a majority of the votes shall be trustees; and when any vacancy shall happen among the trustees, by death, resignation, or otherwise, it shall be filled for the

Vacancies, how filled.

remainder of the year in such manner as shall be provided for by the by-laws of the corporation.

SECT. 7. In case it shall happen at any time that an election of trustees shall not be made on the day fixed for such election by the by-laws of said corporation, the corporation for that reason shall not be dissolved; but it shall be lawful on any other day to hold an election for trustees, as shall be provided for by the said by-laws; and all acts of the trustees shall be valid and binding as against such corporation, until their successors shall be elected.

In case no election be made on day appointed.

SECT. 8. The trustees shall have power to make and prescribe such by-laws, rules, and regulations respecting the management, control, and disposition of the stock, property, and business of such corporation, as they may deem expedient and proper, not inconsistent with the constitution of the United States, or the organic act of this territory, and shall have power to appoint and employ officers, clerks, and servants, for conducting and carrying on the business of such corporation, and determine their duties, and the salaries and wages to be paid them.

Powers of trustees.

SECT. 9. It shall be lawful for the trustees to call in and demand from the stockholders respectively, all such sums of money by them subscribed, at such times and in such payments or instalments as the trustees shall deem proper; and, if any stockholder shall fail to pay the amounts so required to be paid, at the times required for such payments, the stock of such delinquent stockholder, or such portions thereof as may be required to meet such payments, may be sold by the trustees, at public auction, after giving public notice of the time and place of such sale, at least twenty days previous thereto, by publication of such notice in the newspaper printed nearest the place of business of such corporation, or by giving such notice in such other manner as shall be prescribed by the by-laws of such corporation; and the surplus, if any arising from the sale of such stock, over and above the amount due thereon, shall be paid by the trustees to such delinquent stockholder: and a transfer of stock so sold, made by the trustees, in the name of the holder of the stock, shall vest a good and valid title thereto in the purchaser; or the said corporation may commence and prosecute, in any court of competent jurisdiction, an action against any sub-

Same.

scriber for stock in said corporation, and recover judgment for amount due on his subscription, with interest thereon, from the time the same was required to be paid, and have execution therefor.

Stock deemed personal estate, and transferable, when.

SECT. 10. The stock of said corporation shall be deemed personal estate, and shall be transferable in such manner as shall be prescribed by the by-laws of the corporation; but no shares shall be transferable until all previous calls thereon shall have been fully paid in, or they shall have been sold, as provided in the preceding section, for the non-payment thereon; and it shall not be lawful for such corporation to use any of their funds for the purchase of any stock in any other corporation.

Stockholders individually liable for debts due or owing to servants.

SECT. 11. The stockholders of any corporation organized under the provisions of this act, shall be jointly and individually liable for all debts that may be due and owing to all their clerks, laborers, and servants, for services performed for such corporation.

Same, for all other debts. Suit to be commenced within three years.

SECT. 12. All such stockholders shall be jointly and individually liable for the payment of all other debts of such corporation, to be recovered of the stockholder who is such when the debt is contracted; but he shall not be so liable except as is mentioned in the preceding section, unless suit shall be commenced against such stockholder for such debt, within three years from the time he shall have ceased to be a stockholder in such corporation, or unless an execution, issued against the corporation for the collection of such debt, shall have been returned unsatisfied in whole or in part.

Certain persons holding stocks not liable.

SECT. 13. No person holding stock in such corporation, as executor, administrator, guardian, or trustee; and no person holding such stock as collateral security shall be personally subject to any liability as stockholder of such corporation; but the person pledging such stock shall be considered as holding the same, and shall be liable as a stockholder accordingly, and the estates and funds in the hands of such executor, administrator, guardian, or trustee shall be liable in like manner as the testator or intestate would have been, if he had been living, or the ward competent to act and hold the same stock in his own name.

Stocks, how represented.

SECT. 14. Every such executor, administrator, guardian, or trustee shall represent the share of stock in his hands at

all meetings of the corporation, and may vote accordingly as a stockholder; and every person who shall pledge his stock as aforesaid, may nevertheless represent the same at all such meetings, and may vote accordingly as a stockholder.

SECT. 15. Nothing but money shall be considered as payment of the capital stock of any corporation formed under the provisions of this act; and no loan of money shall be made by any such corporation to any stockholder therein.

Nothing but money considered as payment of capital stock, &c.

SECT. 16. The legislature may, at any time, alter, amend, or repeal this chapter; but such amendment shall not, nor shall the dissolution of any such corporation take away or impair any remedy given against any such corporation, its stockholders or officers, for any liability which shall have been previously incurred.

Legislature may alter and repeal. Dissolved corporation still liable.

SECT. 17. Any corporations formed under this act may increase or diminish its capital stock, and may also extend its business to any other manufacturing, mining, lumbering, agricultural, mechanical, or chemical business, in the manner hereinafter provided; and any existing company, heretofore formed, may come under and avail itself of the privileges and provisions of this act, by complying with the following provisions; and thereupon such company, its officers and stockholders, shall be subject to all the restrictions, duties, and liabilities of this act.

Corporation may increase and diminish stock.

SECT. 18. Whenever any company shall desire to avail itself of the privileges and provisions of this act, or shall desire to increase or diminish the amount of capital stock, or extend or change its business, a meeting of the stockholders shall be called by the trustees, whose duty it shall be to publish a notice of such meeting, signed by a majority of them, in a newspaper printed in the county, if any shall be published therein; and if none, then in a newspaper printed nearest their place of business, at least three successive weeks, and to serve personally on each stockholder a written or printed copy thereof, or deposit such copy in the post-office, addressed to each stockholder, at his usual place of residence, at least three weeks before the day fixed upon for holding the meeting. Such notice shall specify the object of such meeting, the time and place when and where such meeting shall be held, and the amount to which it is proposed to increase or

Whenever company desires to avail itself of these provisions, meeting of stockholders to be called, how.

diminish the capital stock, and the business to which the company would be extended or changed.

Meeting, how organized, and business, how conducted.

SECT. 19. At the time and place specified in the notice provided for in the preceding section, the stockholders present in person or by proxy shall organize, by choosing one of the trustees chairman of the meeting, and also a suitable person for secretary, and proceed to vote ; and if, on canvassing the votes, it shall be found that votes representing at least two thirds of all the shares of stock of such company have been given in favor of increasing or diminishing the amount of capital, or [of] increasing or extending its business, or in favor of availing itself of the provisions and privileges of this act, as aforesaid, a certificate of the proceedings, showing a compliance with the provisions of this act, the business to which the company is extended or changed, and the amount to which the capital stock shall be increased or diminished shall be made out, signed, and verified by the chairman and secretary of the meeting ; and such certificate shall be acknowledged by the chairman and secretary, and filed as required by the first section of this act ; and when so filed, the capital of such corporation shall be increased or diminished to the amount specified in such certificate, and the business extended or changed as aforesaid, and the company shall be entitled to the provisions and privileges, and be subject to the liabilities of this act, as the case may be.

Treasurer or clerk to keep book containing names of stockholders for six years, &c.

SECT. 20. It shall be the duty of the trustees of every such corporation or company to cause a book to be kept by the treasurer or clerk thereof, containing the names of all persons alphabetically arranged, who are or shall have been, within six years, stockholders of such company, and showing their place of residence, and number of shares of stock held by them respectively, and the time when they respectively became the owners of such shares, every transfer of stock, and the amount of stock actually paid in ; which book shall, during the usual business hours of the day, on every day except Sunday, be open for the inspection of stockholders and creditors of the company, and their personal representatives, at the office or principal place of business of such company, in the county where its business operations shall be located ; and any and every such stockholder, creditor, or representa-

Book to open, to whose inspection.

tive shall have a right to make extracts from such book, and no transfer of such stock shall be valid for any purpose whatever, except to render the person to whom it shall be transferred liable for the debts of the company, according to the provisions of this chapter, until it shall have been entered therein, as provided in this section, by an entry showing to and from whom transferred. Such book shall be presumptive evidence of the facts therein stated, in favor of the plaintiff, in any such suit or proceeding against such company, or against one or more stockholders. Every officer or agent of any such company, who shall neglect to make any proper entry in such book, or shall refuse or neglect to exhibit the same, or allow the same to be inspected, and extracts to be taken therefrom, as provided by this section, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be punished by fine not exceeding four hundred dollars, or by imprisonment not exceeding six months: and the company shall forfeit and pay for every such neglect or refusal, to the party injured thereby, all the damages resulting therefrom, and every company that shall neglect to keep such books open for inspection as aforesaid, shall forfeit and pay the sum of fifty dollars for every day it shall so neglect; to be sued for and recovered in the name of the United States, by the district attorney of the county in which the business of such corporation shall be located, or of the county to which it may be attached for judicial purposes.

No transfer valid, unless entered in book.

Neglect in relation to book. Penalty.

SECT. 21. Any company or corporation formed and organized under the provisions of this act, is hereby prohibited from exercising any banking powers, under any pretence whatever, under a penalty of forfeiting their right of incorporation under or by virtue of this act.

Company so formed, prohibited from banking.

SECT. 22. This act shall take effect from and after its passage.

Take effect, when.

Approved May 7, 1862.

W. JAYNE, Governor.