
CORPORATIONS

CHAPTER 53.

[S. B. No. 313—Kelly]

CAPITAL STOCK OF CORPORATIONS.

AN ACT to Amend Section 4224 of the Revised Codes of the State of North Dakota, Relating to the Increasing or Diminishing of the Capital Stock of Corporations.

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

§ 1. AMENDMENT.] Section 4224 of the revised codes is amended and re-enacted to read as follows:

§ 4224. POWERS OF CORPORATION.] Every corporation may increase or diminish its capital stock at a meeting called for that purpose by the directors, as follows:

1. Notice of the time and place of the meeting stating its object and the amount to which it is proposed to increase or diminish its capital stock must be personally served on each stockholder resident in the state sixty days prior to the time of such meeting at his place of residence if known; and the notice must be given to stockholders whose place of residence is unknown or who are not residents in the state by the publication of such notice in a newspaper published in the county where the principal office of the corporation is situated, not less than once a week for sixty days prior to such meeting; provided, that the capital stock of any railway company organized under the laws of this state may be increased to such an amount as may by its stockholders be deemed necessary for the purchase or construction of any railroad which it may be legally empowered to purchase or construct; for additions to or improvements of its railroad or property; for additional equipment which may be necessary in the operation of its railroad and for real estate that may be needed by said corporation for railway purposes, by a majority vote of all its stock, in person or by proxy at any annual meeting, or at any meeting called by its directors for that purpose, by a notice in writing to each stockholder, to be served on him personally or by depositing the same in the postoffice, postage paid, properly directed to him at the postoffice nearest his usual place of residence at least forty days prior to such meeting. Such notice shall state the time and place of such meeting, its object and the amount to which it is proposed to increase such capital stock. No vote in favor of such increase

shall take effect until the proceedings of such meeting, showing the names of all of the stockholders voting therefor and the amount of stock owned by each, shall be entered upon the records of such corporation. Every such corporation so increasing its capital stock, shall file with the secretary of state, whenever issues of stock shall be made under this section, a report showing the amount issued and the purposes to which it has been, or is to be, devoted, which report shall be verified by the oath of the president or the general manager thereof and of the chief engineer.

2. The capital stock must in no case be diminished to an amount less than the indebtedness of the corporation, or the estimated cost of the works which it may be the purpose of the corporation to construct.

3. At least two-thirds of the entire capital stock, except as hereinbefore provided, must be represented by the vote in favor of the increase or diminution before it can be effected.

4. A certificate must be signed by the chairman and the secretary of the meeting and a majority of the directors, showing a compliance with the requirements of this section, the amount to which the capital stock has been increased or diminished, the amount of stock represented at the meeting and the vote by which the object was accomplished.

5. The certificate must be filed in the office of the secretary of state, there to be recorded in the book of corporations, and thereupon the capital stock shall be so increased or diminished.

§ 2. REPEAL.] All acts and parts of acts in conflict with the provisions of this act are hereby repealed.

§ 3. EMERGENCY.] Whereas, an emergency exists in that there is at present in this state no law to permit a railroad corporation organized in this state to increase its capital stock in emergencies for the purpose of purchasing equipment or extending its line, therefore this act shall take effect and be in force from and after its passage and approval.

Approved March 19, 1907.

CHAPTER 54.

[H. B. No. 340—Jones of Ransom]

CHARTER VALIDATED.

AN ACT Reinstating and Validating the Charter of Corporations that Have Been Cancelled for Failure to Make and File with the Secretary of State Reports as Required under Section 4186, Revised Codes of 1905.

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

§ 1. CHARTERS VALIDATED. REPORTS FILED WITH SECRETARY OF STATE.] All corporations heretofore organized under the laws of

the state of North Dakota, whose charters have become forfeited and canceled under the provisions of section 4186, revised codes, 1905, by reason of failure to make and file with the secretary of state reports 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 July 1, 1907, make and file with said secretary full and complete reports as in said section prescribed, and the charter of all corporations complying herewith within the period stated is hereby declared valid in all respects.

§ 2. EMERGENCY.] An emergency exists, in that the charter of many corporations have been canceled by reasons of failure to make reports as required, therefore this act shall be in force from and after its passage.

Approved March 13, 1907.

CHAPTER 55.

[H. B. No. 203—Anderson of Grand Forks]

BOOKS OF CORPORATION OPEN.

AN ACT to Amend Section 4516 of the Revised Codes of North Dakota for 1905, Relating to Corporations.

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

§ 1. AMENDMENT.] Section 4516 of the revised codes of North Dakota for 1905 be and the same is hereby amended to read as follows:

§ 4516. ACCOUNTS. PUBLICITY. STATEMENT.] Regular books of accounts of all the business of such corporation must be kept, which with the vouchers shall at all reasonable times be open for the inspection of any of the stockholders, and any stockholder in making such inspection shall be privileged to take with him an expert accountant to aid him in making the inspection, and as often as once in each year a statement of such accounts shall be made by order of the directors and laid before the stockholders.

Approved March 12, 1907.

CHAPTER 56.

[H. B. No. 79—Stevens]

BUILDING AND LOAN ASSOCIATIONS.

AN ACT to Amend Section 4610 of the Revised Codes of 1905, 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 be and the same is hereby amended 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 12 inclusive of chapter 11 of this code shall be applicable to such corporation. 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 transacted in the state of North Dakota by any such foreign corporation until they shall have deposited with the state treasurer the moneys or securities hereinbefore 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 purposes 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.

Approved March 12, 1907.

CHAPTER 57.

[H. B. No. 248—Giedt]

LIABILITY OF COMMON CARRIERS.

AN ACT to Amend Section 5678 of the Civil Code of the Revised Codes of the State of North Dakota, Edition of 1905 (Being Section 4230 of the Civil Code of the Revised Codes of the State of North Dakota, Edition of 1895), and Re-Enact the Same as Amended.

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

§ 1. AMENDMENT.] Section 5678 of the civil code of the revised codes of the state of North Dakota, edition of 1905, being section 4230 of the civil code of the revised codes of the state of North Dakota, edition 1895, is amended and re-enacted so as to read as follows:

§ 5678. EXONERATION BY AGREEMENT LIMITED.] A common carrier cannot be exonerated by any agreement made in anticipation thereof from liability for the negligence, fraud, or other wrongful act of himself or his servants.

Approved March 13, 1907.

CORRUPT PRACTICES

CHAPTER 58.

[S. B. No. 104—Young]

CORRUPT PRACTICES ACT.

AN ACT Making It Unlawful for Any Corporation to Use Any of Its Money or Property or Anything of Value in Political Campaigns or for Any Political Purpose, Also Making It Unlawful to Solicit or Knowingly Receive Any Such Money, Property or Anything of Value, and Prescribing Penalties Therefor.

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

§ 1. CONTRIBUTIONS FOR POLITICAL PURPOSES PROHIBITED. PENALTY.] No corporation doing business in this state shall, directly or indirectly, pay, or use, or offer, consent or agree to pay or