

CORPORATIONS

CHAPTER 103

S. B. No. 144
(Knudson)
(By request)

REGISTRATION OF SECURITIES BY FIDUCIARIES

AN ACT

Relating to the registration, and handling of stocks, bonds, notes, debentures, and other securities by fiduciaries in a fiduciary capacity.

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

§ 1. REGISTRATION OF SECURITIES.) Any person or corporation holding any stock, bond, note, debenture, or any other security or property, the title to which may be registered, hereinafter referred to as a security, as executor, administrator, trustee, guardian, conservator, or in any other fiduciary capacity, may cause the same to be registered in his or its own name or in the name of a nominee without words indicating the fiduciary capacity in which such security is held, provided:

1. The accounts and records of such person or corporation at all times clearly show that such security was held by such person or corporation in such fiduciary capacity;
2. Said security is kept separate and apart from the property held by such person or corporation in his or its own right or in any other fiduciary capacity;
3. Such fiduciary at all times has possession of such security and, if registered in the name of a nominee, before or promptly after such registration, secures from the nominee all such instruments as may be necessary to transfer the same without any further act of such nominee; and
4. The fiduciary shall be liable individually and in his or its own right for any loss resulting to the fiduciary estate because said security was so registered instead of being registered in his or its name as such beneficiary.

§ 2. NOMINEE.) A corporation acting as one of two or more fiduciaries, with the consent of its cofiduciary or cofiduciaries, who are hereby authorized to give such consent, may register

a security held by said fiduciaries in the name of its nominee, subject in all respects to the requirements, provisions and liabilities set forth in section 1 of this Act.

Approved March 6, 1953.

CHAPTER 104

S. B. No. 143
(Knudson)
(By request)

REGISTRATION OR TRANSFER OF SECURITIES TO OR BY
FIDUCIARIES OR THEIR NOMINEES

AN ACT

Relating to the registration or transfer of securities to or by fiduciaries or their nominees.

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

§ 1. REGISTRATION OR TRANSFER OF SECURITIES.) If a fiduciary or the nominee of a fiduciary in whose name are registered or to be registered any shares of stock, bonds or other securities of any corporation, public or private, or company or other association, or of any trust, applies for the registration or transfer of the same, such corporation or company or other association, or any managers of the trust, or its or their transfer agent, is not bound to inquire whether the fiduciary or nominee is committing a breach of his obligation as fiduciary or nominee in making such registration or transfer, or to see to the performance of the fiduciary obligation, and is liable for such registration or transfer only where such registration or transfer is made with actual knowledge that such fiduciary or nominee is committing a breach of trust in requesting such registration or transfer, or with knowledge of such facts that its or their participation in such registration or transfer amounts to bad faith.

§ 2. DEFINITIONS.) "Fiduciary" includes a trustee under any trust, expressed, implied, resulting or constructive, executor, administrator, guardian, conservator, receiver, trustee in bankruptcy, assignee for the benefit of creditors, partner, agent, officer of a corporation, public administrator, nominee, or any other person acting in a fiduciary capacity for any person, trust or estate.

Approved March 6, 1953.

CHAPTER 105

S. B. No. 191
(Morgan)

DESIGNATION OF INDUSTRIAL COMMISSION AS AGENCY TO
RECEIVE ASSETS OF THE N. D. RURAL REHABILITATION
CORPORATION

AN ACT

Designating the industrial commission of North Dakota as the agency of the state to receive the assets of the North Dakota rural rehabilitation corporation in event such corporation is dissolved, and authorizing such commission to enter into agreement with the secretary of agriculture concerning any of such assets as have been returned to the corporation or are held by the secretary of Agriculture for administration pursuant to agreement between the secretary of agriculture and the North Dakota rural rehabilitation corporation under the provisions of Public Law 499 of the 81st Congress, dated April 3, 1950.

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

§ 1.) That the industrial commission of North Dakota be and it hereby is designated the agency of the state to receive the assets of the North Dakota rural rehabilitation corporation in the event such corporation is dissolved, including all properties that have been returned or may be returned to the North Dakota rural rehabilitation corporation by the secretary of agriculture upon the application of the corporation pursuant to the provisions of public law 499 of the 81st Congress, dated April 3, 1950, including also such assets as have again been transferred or may hereafter be transferred to the secretary of agriculture for administration pursuant to agreement between the North Dakota rural rehabilitation corporation and the secretary of agriculture under the provisions of said public law 499 of the 81st Congress, dated April 3, 1950; and the said industrial commission of North Dakota is hereby authorized to enter into any agreement with the secretary of agriculture that may be required with respect to the administration of the assets they so receive.

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

Approved March 2, 1953.

CHAPTER 106

H. B. No. 578

(Holand, Thompson, Haugen, Bourgois)

(Hofstrand and Roen)

DEFINING "RURAL AREA" AS USED WITH ELECTRIC
COOPERATIVE CORPORATIONS

AN ACT

To amend and reenact sub-section 8 of section 10-1301 of the North Dakota Revised Code of 1943, defining the phrase "rural area."

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

§ 1. AMENDMENT.) Sub-section 8 of section 10-1301 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

8. "Rural area" means any areas not included within the boundaries of an incorporated or unincorporated city or village having a population in excess of twenty-five hundred inhabitants at the time a corporation commences to operate electric facilities or to furnish electric energy in such an area, and includes both the farm and nonfarm population thereof; and no change thereafter in the population of a rural area, as defined herein, regardless of the reason for such change, shall operate to affect in any way its status as a rural area for the purposes of this chapter and of chapter 57-33.

Approved March 5, 1953.

CHAPTER 107

H. B. No. 577

(Holand, Thompson, Hagen, Bourgois)

(Hofstrand and Roen)

POWERS OF ELECTRIC COOPERATIVE CORPORATIONS

AN ACT

To amend and reenact sub-section 4 of section 10-1309 of the North Dakota Revised Code of 1943, as amended by chapter 108, Session Laws of 1951, relating to powers of electric cooperative corporations.

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

§ 1. AMENDMENT.) Sub-section 4 of section 10-1309 of the North Dakota Revised Code of 1943, as amended by chapter 108, session laws of 1951, is hereby amended and reenacted to read as follows:

4. To generate, manufacture, purchase, acquire, and accumulate electrical energy and to transmit, distribute, sell, furnish, and dispose of such electrical energy to its members, and to other persons not in excess of ten per centum of the number of its members, provided, however, that a corporation which acquires existing electrical facilities may continue service to persons, not in excess of twenty per centum of the number of its members, who are already receiving service from such facilities without requiring such persons to become members but such persons may become members upon such terms as may be prescribed in the by-laws.

Approved March 5, 1953.

CHAPTER 108

H. B. No. 557
(Legislative Research Committee)
(at the request of the Secretary of State)

FILING OF APPLICATION AND VARIOUS CERTIFICATES
OF FOREIGN CORPORATIONS

AN ACT

To amend and reenact sections 10-1705, 10-1714, 10-1722, 10-1725, 10-1728 and 10-1730 and to repeal section 10-1708 and subsection 8 of section 10-1731 of the North Dakota Revised Code of 1943, relating to the filing of foreign corporation certificates, and declaring an emergency.

§ 1. AMENDMENT.) Section 10-1705 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

10-1705. APPLICATION FOR CERTIFICATE OF AUTHORITY; CONTENTS; FILING WITH SECRETARY OF STATE.) A foreign corporation wishing to do business in this state shall make an application to the secretary of state for a certificate of authority. The application shall be made on forms prescribed and furnished by the secretary of state and shall be executed and acknowledged by the president or a vice president of the foreign corporation, and by its secretary or an assistant secretary, and shall set forth:

1. The name of the corporation and the name of the state or country under the laws of which it is organized;
2. If the name of the corporation does not comply with the provisions of section 10-1704, the name of the corporation with the word or abbreviation which it agrees to add thereto for use in this state;
3. The date of its incorporation and the period of its duration;
4. The address of its principal office in the state or country under the laws of which it is organized;
5. The address of its proposed registered office and the names of its proposed registered agent in this state;
6. That it irrevocably consents to the service of process upon it as set forth in section 10-1733, or any amendment thereto;

7. The names and addresses of its directors and officers;
8. A statement of the aggregate number of shares having par value and of shares without par value which it has authority to issue, itemized by classes and series;
9. A statement of the aggregate number of its issued or allotted shares having par value and of shares without par value, itemized by classes and series; and
10. A statement that the officers executing the application have been authorized to do so by the board of directors of the corporation.

The application for a certificate of authority, and a certified copy of the articles of incorporation of the foreign corporation, together with a certificate to the effect that the charter of the corporation has not been cancelled and the corporation is in good standing and duly authorized to transact business shall be delivered to the secretary of state.

§ 2. AMENDMENT.) Section 10-1714 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

10-1714. AMENDED CERTIFICATE OF AUTHORITY: WHEN ISSUED.) If a foreign corporation changes the address of its registered office, its name, or the duration of its corporate existence, the secretary of state, after instruments with reference to such change shall have been filed in his office and all fees and charges have been paid as required by law, shall issue and record an amended certificate of authority.

§ 3. AMENDMENT.) Section 10-1722 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

10-1722. CERTIFICATE OF WITHDRAWAL: ISSUANCE; EFFECT.) If the secretary of state finds that the application for withdrawal from the state filed by a foreign corporation conforms to the provisions of this chapter and that all license fees, filing fees, and other charges against the corporation have been paid as required by law, he shall file the same in his office and shall issue and record a certificate of withdrawal. Upon the issuance of the certificate of withdrawal, the authority of the corporation to transact business in this state shall cease.

§ 4. AMENDMENT.) Section 10-1725 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

10-1725. CERTIFICATE OF REVOCATION: DUTY OF SECRETARY OF STATE; EFFECT OF.) Upon revoking the certificate of authority of a foreign corporation, the secretary of state shall:

1. Issue a certificate of revocation in duplicate;
2. Mail a notice and a certificate of revocation to such corporation at its principal office in the state or country under the laws of which it is organized; and
3. Mail a notice of revocation to such corporation at its registered office in this state.

Upon the issuance of the certificate of revocation, the authority of the corporation to transact business in this state shall cease.

§ 5. AMENDMENT.) Section 10-1728 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

10-1728. JUDGMENT CANCELLING CERTIFICATE OF AUTHORITY OF FOREIGN CORPORATION: FILING.) The attorney general shall cause a certified copy of a judgment canceling a certificate of authority of a foreign corporation to be delivered to the secretary of state. The secretary of state shall file the copy in his office.

§ 6. AMENDMENT.) Section 10-1730 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

10-1730. CERTIFICATE OF REINSTATEMENT OF FOREIGN CORPORATION: DUTY OF SECRETARY OF STATE; RECORDING.) Upon the filing of an application for reinstatement and upon the payment of all penalties, fees, and charges required by law, not including, however, any initial license fee or additional license fees, to the extent that the same have been paid by the applying corporation, the secretary of state shall reinstate the license of such corporation, and issue and record a certificate of reinstatement.

§ 7. REPEAL.) Section 10-1708 and subsection 8 of section 10-1731 of the North Dakota Revised Code of 1943 are hereby repealed.

§ 8. 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 11, 1953.

CHAPTER 109

H. B. No. 715
(Larson of Burleigh and Brown)
(By request)

PLACE OF REGISTERED OFFICE OF FOREIGN CORPORATION
IN NORTH DAKOTA

AN ACT

To amend and reenact subsection 1 of section 10-1710 of the North Dakota Revised Code of 1943 providing for the place of registered office in North Dakota of a foreign corporation.

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

§ 1. AMENDMENT.) Subsection 1 of section 10-1710 of the North Dakota Revised Code of 1943 is hereby amended and re-enacted to read as follows:

1. A registered office in this state which may, but need not, be the same as its place of business in this state; and

Approved March 4, 1953.