

CHAPTER 136.

FOREIGN CORPORATIONS.

S. F. 119.

AN ACT to require foreign corporations owning, controlling, operating or concerned in the operation of any public gas works, electric light plant, electric power plant, heating plant water works, inter-urban or street railway located within the state of Iowa, or the business of such works, plants or railways or owning or controlling stock in any corporation owning, operating or concerned in the operation of any public gas works, electric light plant, electric power plant, heating plant, water works, inter-urban or street railway located within the state of Iowa or the business of such plants or railways to comply with the laws governing the issuance of capital stock of domestic corporations and the making of reports by domestic corporations and to require said foreign corporations to obtain a permit to transact business within the state of Iowa, and conferring upon courts of equity jurisdiction to dissolve and terminate corporations, works, plants or businesses violating this act and providing penalties for violations of this act. [Additional to chapter one (1) of title nine (IX) of the code relating to corporations for pecuniary profit.]

Be it enacted by the General Assembly of the State of Iowa :

SECTION 1. Capital stock—how issued—certain laws affecting domestic corporations made applicable. Section 1641-b of the supplement to the code (1907) as amended by chapter 76 of the acts of the 34th general assembly of Iowa, section 1641-c of the supplement to the code (1907) and section 1637 of the code as amended by chapter 104 of the acts of the 33rd general assembly of Iowa and by chapter 75 of the acts of the 34th general assembly of Iowa are hereby made applicable to any foreign corporation which directly or indirectly owns, uses, operates, controls or is concerned in the operation of any public gas works, electric light plant, heating plant, water works, inter-urban or street railway located within the state of Iowa or the carrying on of any gas, electric light, electric power, heating business, water works, inter-urban or street railway business within the state of Iowa or that owns or controls, directly or indirectly, any of the capital stock of any corporation which owns, uses, operates or is concerned in the operation of any public gas works, electric light plant, electric power plant, heating plant, water works, inter-urban or street railway located within the state of Iowa or any foreign corporation that exercises any control in any way or in any manner over any of said works, plants, inter-urban or street railways or the business carried on by said works, plants, inter-urban or street railways by or through the ownership of the capital stock of any corporation or corporations or in any other manner whatsoever, and the ownership, operation or control of any such works, plants, inter-urban or street railways or the business carried on by any of such works or plants or the ownership or control of the capital stock in any corporation owning or operating any of such works, plants, inter-urban or street railways by any foreign corporation in violation of the provisions of this act is hereby declared to be unlawful.

SEC. 2. Includes so called "holding companies". The provisions hereof are hereby made applicable to all corporations, including so-called "holding companies" which by or through the ownership of the capital stock in any other corporation or corporations or a series of corporations owning or controlling the capital stock of each other can or may exercise control over the capital stock of any corporation which owns, uses, operates or is concerned in the operation of any public gas works, electric light plant, electric power plant, heating plant, water works, inter-urban or street railway located in the state of Iowa, or the business carried on by such works or plants.

SEC. 2-A. **Annual report—fee.** All corporations subject to the provisions of this act are hereby required to pay the annual fee and to make the annual report in the form and manner and at the time as specified in chapter 105 of the acts of the 33rd general assembly of Iowa.

SEC. 3. **Sale of capital stock.** The provisions of this act are hereby made applicable to the sale of its own capital stock by any corporation subject to the provisions of this act, whether said capital stock has been heretofore issued by said corporation or not, including the sale of so-called "treasury stock" or stock of the corporation in the hands of a trustee or where the corporation participates in any way or manner in the benefits of said sales, and also to the sale of any of the obligations of any corporation subject to the provisions of this act, the payment of which is secured by the deposit or pledge of any of the capital stock of said corporation.

SEC. 4. **Violation—stock void.** Shares of capital stock of any corporation owned or controlled in violation of the provisions of this act shall be void and the holder thereof shall not be entitled to exercise the powers of a shareholder of said corporation or permitted to participate in or be entitled to any of the benefits accruing to shareholders of said corporation, and section 1639 of the code is hereby made applicable to violations of the provisions of this act; and courts and juries shall construe this act so as to prevent evasion and to accomplish the intents and purposes hereof.

SEC. 5. **Enforcement—dissolution—receiver.** Courts of equity shall have full power to dissolve, close up or dispose of any business or property owned, operated or controlled in violation of the provisions of this act; to dissolve any corporation owning or controlling the capital stock of any other corporation in violation of the provisions of this act and to close up or dispose of the business or property of said corporation; and if the court finds that, in order to carry out the purposes of this act, it is necessary so to do, it may dissolve the corporation issuing the stock which is owned in violation of the provisions of this act, close up the business of said corporation and dispose of its property, and the court may also appoint a receiver who shall be a resident of Iowa for any business or for any corporation which has violated the provisions of this act or of the corporation issuing the stock which is held in violation of this act. Any action to enforce the provisions of this act may be instituted by the attorney general in the name of the state of Iowa or by a citizen in the name of the state of Iowa at his own proper cost and expense, reserving, however, to the stockholders owning capital stock not held in violation of this act all rights possessed by them.

SEC. 6. **Acts in conflict repealed.** All acts and parts of acts, so far as the same are in conflict herewith, are hereby repealed.

SEC. 7. **In effect.** This act being deemed of immediate importance shall take effect and be in force from and after its passage and publication in the Register and Leader and Des Moines Capital newspapers published in Des Moines, Iowa.

Approved April 2 A. D. 1913.

I hereby certify that the foregoing act was published in the Register and Leader April 8, 1913, and in the Des Moines Capital April 7, 1913.

W. S. ALLEN,
Secretary of State.