

November 9, 1933.

Senate File No. 6.  
By BENNETT AND VALENTINE.

*✓ Corporation*

## A BILL FOR

Bill prepared and recommended by Special Corporation Committee.

An Act to revise and modernize the laws of this state relating to certain corporations for profit; to provide for the incorporation, regulation, renewal, merger, consolidation and dissolution of certain corporations for profit; to extend the provisions of this act to certain corporations for profit existing under the laws of this state; to define the powers of certain corporations for profit; to define the words, phrases and terms used in this act; to prescribe penalties for the violations of this act; to provide for a franchise tax; to provide for certain fees and penalties to be paid the secretary of state; to require certain reports to be filed; and to repeal Chapter 384 of the Code 1931 relating to Corporations for Pecuniary Profit; to repeal Chapter 385 of the Code 1931 relating to Capital Stock of Corporations for Pecuniary Profit; to repeal Chapter 385-c1 of the Code 1931 relating to Non Par Value Stock of Corporations for Pecuniary Profit; and to repeal Chapter 388 of the Code 1931 relating to Annual Reports of Corporations.

*Be It Enacted by the General Assembly of the State of Iowa:*

- 1 Section 1. DEFINITIONS.
- 2 I. "Corporation" means a corporation formed under this act.
- 3 II. "Domestic Corporation" means a corporation formed under
- 4 the laws of this state, and the term "Foreign Corporation" includes
- 5 every other corporation.
- 6 III. "Articles of Incorporation" includes both the original
- 7 articles of incorporation and any and all amendments thereto,
- 8 except in those instances where the context expressly refers to
- 9 the original articles of incorporation only.
- 10 IV. An "Incorporator" is one of the signers of the original
- 11 articles of incorporation.

12 V. A "Subscriber" is one who subscribes for shares in a  
13 corporation, whether before or after incorporation.

14 VI. "Shares" are the units into which the shareholders'  
15 rights to participate in the control of the corporation, in its  
16 surplus or profits or in the distribution of corporate assets,  
17 are divided.

18 VII. A "Shareholder" is one who owns one or more shares.  
19 A subscriber becomes a shareholder upon the allotment of shares  
20 to him. Nothing in this section shall be construed as forbidding  
21 a corporation to recognize a person registered on its books as the  
22 owner of shares as the person exclusively entitled to have and to  
23 exercise the rights and privileges incident to the ownership of  
24 such share, or to hold liable for calls and assessments a person  
25 registered as the owner of shares.

26 VIII. A "Certificate of Stock" is a written instrument  
27 signed by the proper corporate officers, as required by this act,  
28 and evidencing the fact that the person therein named is the  
29 registered owner of the share or shares therein described.

30 IX. "Allotment" means the apportioning of a certain number  
31 of shares to a subscriber in response to the application contained  
32 in his subscription, or to a shareholder pursuant to the declaration  
33 of a stock dividend. The allotment of shares to the incorporators,  
34 or to persons whose subscriptions were approved by the incorporators  
35 before incorporation and were unrevoked at the time of incorporation,  
36 shall be considered automatically coincident with incorporation.

37 X. The "Capital Stock" of a corporation at any time is

38 a. the aggregate amount of the par value of all allotted  
39 shares having a par value, including such shares allotted as stock  
40 dividends, and

41 b. the aggregate of the cash, and the value of any  
42 consideration other than cash, determined as provided in this act,  
43 agreed to be given or rendered as payment for all allotted shares  
44 having no par value, plus such amounts as may have been transferred  
45 from surplus upon the allotment of stock dividends in shares  
46 having no par value.

47 XI. The "Assets" of a corporation include all its property  
48 and rights of every kind.

49 XII. The "Capital" of a corporation is the portion of its  
50 assets acquired as consideration for shares allotted and that  
51 portion of its assets which has been treated as payment for shares  
52 allotted as stock dividends.

53 XIII. The term "Registered Office" means that office  
54 maintained by the corporation in this state;

55 a. as the place where the corporation's minute and stock  
56 books are kept, and

57 b. the address of which is kept on file in the office of  
58 the secretary of state in the manner required by the provisions  
59 of this act.

60 XIV. The term "Unincorporated Association" means any group  
61 of two or more persons united to carry on a business for profit  
62 except when such group is formed into a corporation under the laws  
63 of any state, territory, nation or sovereignty. Without hereby

61 restricting the meaning of the term, it is declared to include  
62 partnerships, limited partnerships, limited partnership associations,  
63 joint stock companies and business trusts.

64 XV. "The Court" as used in sections 51 to 63 means any  
65 court of competent jurisdiction where the registered office of  
66 the corporation is located.

67 XVI. The "Code" means the Code of Iowa.

68 Sec. 2. PURPOSE OF INCORPORATION AND QUALIFICATION OF  
69 INCORPORATORS. One or more natural persons of full age, at  
70 least two-thirds of whom are citizens of the United States or its  
71 territories or possessions, or corporations, or both, may form  
72 a corporation under this act for any lawful business purposes,  
73 provided, however, that when the code makes special provision for  
74 the filing of articles of incorporation of designated classes of  
75 corporations, such corporations shall be formed under such  
76 provisions, and not hereunder, but such corporations so formed  
77 under other acts shall be subject to the provisions of this act  
78 which are supplementary to and not inconsistent with the acts  
79 under which such corporations are organized and regulated.

80 Sec. 3. ARTICLES OF INCORPORATION.

81 I. Before commencing any business except their own  
82 organization, they must adopt articles of incorporation, which  
83 must be signed and acknowledged by the incorporators. Said  
84 articles shall then be forwarded to the secretary of state. Upon  
85 the filing of such articles, the secretary of state shall issue  
86 a certificate of incorporation and record said articles in a book

8 kept for that purpose. The secretary of state shall then forward  
9 said articles of incorporation to the county recorder of deeds  
10 of the county where the registered office is to be located and  
11 there be recorded in a book kept therefor, and the recorder shall  
12 indorse thereon the book and page where the record will be found.  
13 In addition to stating the name of the corporation, such articles  
14 shall state in the English language :

15 a. its purpose ;

16 b. its duration, which may be perpetual ;

17 c. the location and postoffice address of its registered  
18 office in this state ; the name and postoffice address of its  
19 registered agent in this state ;

20 d. the total authorized number of par value shares and  
21 the par value of each share ; and, if any of its shares have no  
22 par value, the authorized number of such shares ;

23 e. a description of the classes of shares, if the shares  
24 are to be classified, and a statement of the number of shares in  
25 each class, and the relative rights, voting power, preferences  
26 and restrictions granted to or imposed upon the shares of each  
27 class ;

28 f. the amount of paid-in capital with which the corporation  
29 will begin business ;

30 g. the first directors, their postoffice addresses, and  
31 their terms of office ;

32 h. the name and postoffice address of each of the  
33 incorporators and a statement of the number of shares subscribed

34 by each, which shall not be less than one, and the class of shares  
35 for which each subscribes.

36 II. Articles of incorporation may contain any other  
37 provisions consistent with the laws of this state, for regulating  
38 the corporation's business or the conduct of its affairs.

1 Sec. 4. THE CORPORATE NAME.

2 I. The corporation name shall contain the word "Corporation",  
3 "Company", "Incorporated", or "Limited", or shall end with an  
4 abbreviation of one of said words. The provisions of this sub-  
5 division shall not affect the right of any corporation, existing,  
6 at the time this act takes effect, to continue the use of its  
7 name.

8 II. The corporate name shall not be the same as, nor  
9 deceptively similar to the name of any other domestic corporation  
10 or any foreign corporation authorized to do business in this  
11 state, or a name the exclusive right to which is, at the time,  
12 reserved as provided in V of this section, unless

1 a. such other domestic or foreign corporation is about  
2 to change its name, or to cease to do business, or is being wound  
3 up, or such foreign corporation is about to withdraw from doing  
4 business in this state, and

5 b. the written consent of such other domestic or foreign  
6 corporation to the adoption of its name or a deceptively similar  
7 name has been given and is filed with the articles of incorporation.

8 III. The corporate name shall not be the same as, nor  
9 deceptively similar to, the trade name of any person or

10 unincorporated association doing business under such trade name  
11 in this state or elsewhere, if such person or unincorporated  
12 association has signified an intention to incorporate in this  
13 state under such name by filing notice of such intention with the  
14 secretary of state, as provided in V of this section, unless the  
15 written consent to the adoption of such name or deceptively similar  
16 name has been given by such person or unincorporated association,  
17 and is filed with the articles of incorporation.

18 IV. The corporate name shall not be the same as, nor  
19 deceptively similar to, the name of any foreign corporation doing  
20 business elsewhere than in this state, if such foreign corporation  
21 has signified an intention to secure incorporation in this state  
22 under such name, as provided in V of this section or to do business  
23 as a foreign corporation in this state under such name by filing  
24 notice of such intention with the secretary of state, unless the  
25 written consent to the adoption of such name or a deceptively  
26 similar name has been given by such foreign corporation and is  
27 filed with the articles of incorporation, provided however, that  
28 in consolidations, the provisions of II and IV of this section  
29 shall not prevent the new corporation from using the name of any  
30 of the consolidating corporations.

31 V. Any person or persons, natural or corporate, intending  
32 to organize a corporation under a specific corporate name, upon  
33 filing in the office of the secretary of state a notice of such  
34 intention and specifying such name, shall have an exclusive right  
35 to organize a corporation under such name for a period of sixty

36 days after the date of filing such notice.

37 VI. The holders of a majority of shares of a corporation  
38 which has been dissolved or has otherwise terminated its corporate  
39 existence shall have the exclusive right any time within thirty  
40 days after the termination of its corporate existence to become  
41 incorporated under its former corporate name. After the expiration  
42 of such thirty days such former corporate name if not so used shall  
43 be available to any applicant.

44 VII. Nothing in this section shall abrogate or limit the  
45 law as to unfair competition or unfair practices; nor derogate from  
46 the common law, the principles of equity, or the statutes of this  
47 state or of the United States with respect to the right to acquire  
48 and protect trade names.

49 VIII. A corporation formable under this act may use a  
50 corporate name in any language, but the same must be in English  
51 letters or characters.

52 IX. No corporation formed under this act shall include in  
53 its corporate name any words or phrases which are misleading as to  
54 the name or purpose of the business or otherwise.

55 X. The assumption of a name in violation of this section  
56 shall not affect or vitiate the corporate existence, but the  
57 courts of this state, having equity jurisdiction, may, upon the  
58 application of the state, or of any person, unincorporated  
59 association, or corporation interested or affected, enjoin such  
60 corporation from doing business under a name assumed in violation  
61 of this section, although its articles of incorporation may have

62 been approved and a certificate of incorporation issued.

1 Sec. 5. FILING AND RECORDING ARTICLES OF INCORPORATION—  
2 ISSUING CERTIFICATE OF INCORPORATION.

3 I. When articles of incorporation are presented to the  
4 secretary of state for the purpose of being filed, if he is  
5 satisfied that they are in proper form to meet the requirements  
6 of law, that their object is a lawful one and not against public  
7 policy, that their plan for doing business, if any be provided  
8 for, is honest and lawful, he shall file them upon payment of the  
9 fees as provided in II of section 63 of this act, but if he is of  
10 the opinion that they are not in proper form to meet the require-  
11 ments of the law, or that their object is an unlawful one, or  
12 against public policy, or that their plan for doing business is  
13 dishonest or unlawful, he shall refuse to file them.

14 II. Should a question of doubt arise as to the legality of  
15 the articles, he shall submit them to the attorney general whose  
16 duty it shall be to forthwith examine and return them with an  
17 opinion in writing touching the point or points concerning which  
18 inquiry has been made of him.

19 III. If such opinion is in favor of the legality of the  
20 articles and no other objections are apparent, they shall then,  
21 upon payment of the proper fee, be filed and otherwise dealt with  
22 as the law provides. If however, such opinion be against their  
23 legality they shall not be filed.

24 IV. Upon the rejection of any articles of incorporation by  
25 the secretary of state, except for the reason that they have been

26 held by the attorney general to be illegal, they shall, if the  
27 person or persons presenting them so request, be submitted to the  
28 executive council, which shall, as soon as practicable, consider  
29 the said articles and if the council determines that the articles  
30 are in proper form, of honest purpose, not against public policy,  
31 nor otherwise objectionable, it shall so advise the secretary of  
32 state in writing, whereupon he shall, upon the payment of the fees  
33 as provided in II of section 63 of this act, file the same and  
34 proceed otherwise as the law directs; but if the council sustains  
35 the preliminary action of the secretary of state in rejecting said  
36 articles, such decision by the council shall be reported to the  
37 secretary of state in writing, and he shall then return said  
38 articles to the person or persons presenting them with such  
39 explanation as shall be proper in the case.

40 7. Nothing in the four preceding subsections shall be  
41 construed as repealing or modifying any statute now in force in  
42 respect to the approval of articles of incorporation relating to  
43 banks, insurance companies, or building and loan associations.

44 VI. Upon the issue of the certificate of incorporation,  
45 the corporate existence shall begin and, subject to the provisions  
46 of section 6 of this act, those persons who subscribe for shares  
47 prior to the issuance of the certificate of incorporation, or  
48 their assigns, shall be shareholders in the corporation.

1 Sec. 6. SUBSCRIPTIONS FOR SHARES BEFORE INCORPORATION.

2 I. Subscriptions for shares of a corporation to be formed  
3 shall be in writing. Unless otherwise provided in the writing,

4 the subscriptions shall be

5 a. irrevocable for a period of one year from the date of  
6 signing except as provided in subdivision II of this section;

7 b. revocable after a period of one year from the date of  
8 signing, unless prior to such revocation a certificate of  
9 incorporation has been issued as provided in section 5.

10 II. Subscription for shares may be revoked at any time by  
11 either party upon such grounds as exist at law or in equity for  
12 the rescission of any contract.

13 III. Upon the issue of the certificate of incorporation,  
14 subscriptions for shares may be enforced by the corporation  
15 according to their terms unless revoked as provided in this section.

16 IV. When no provision as to the time of payment is made in  
17 the contract of subscription, shares shall be paid for on the call  
18 of the board of directors.

1 Sec. 7. MINIMUM AMOUNT OF PAID-IN CAPITAL. The amount of  
2 paid-in capital with which a corporation may begin business shall  
3 not be less than the amount specified as initial paid-in capital  
4 by the articles of incorporation, and shall consist of cash or  
5 other property taken at a fair valuation.

1 Sec. 8. CONDITIONS PRECEDENT TO BEGINNING BUSINESS.  
2 FOR VIOLATION. PENALTY

3 I. A corporation formed under this act shall not incur any  
4 debts or begin the transaction of any business, except such as is  
5 incidental to its organization or to the obtaining of subscriptions  
6 to or the payment for its shares, until:

7 a. the amount of capital with which it will begin business,  
8 as stated in the articles of incorporation, has been fully paid in ;

9 b. there has been filed in the office of the secretary or  
10 state an affidavit signed by at least a majority of the board of  
11 directors and stating that the amount of capital with which it will  
12 commence business, as stated in the articles of incorporation, has  
13 been fully paid in ; and

14 c. there has been paid a fee for filing such affidavit,  
15 as provided in III of section 63 of this act.

16 II. If a corporation has transacted any business in  
17 violation of this section, the officers who participated therein  
18 and the directors, except those who dissented therefrom and  
19 caused their dissent to be filed at the time in the registered  
20 office of the corporation, or who, being absent, so filed their  
21 dissent upon learning of the action, shall be severally liable for  
22 the debts or liabilities of the corporation arising therefrom.

1 Sec. 9. VALIDITY AND EFFECT OF CERTIFICATE OF INCOR-  
2 PORATION.

3 I. No person or persons acting as a corporation shall be  
4 permitted to set up the want of a legal organization as a defense  
5 to an action against them as a corporation, nor shall any person  
6 sued on a contract made with such an acting corporation, or sued  
7 for an injury to its property, or a wrong done to its interests,  
8 be permitted to set up a want of such legal organization in his  
9 defense.

9 II. The certificate of incorporation issued by the  
10 secretary of state in accordance with the provisions of sections

11 3 and 5 of this act shall be conclusive evidence of the fact that  
12 the corporation has been incorporated. Proceedings may, however,  
13 be instituted by the state to dissolve, wind up and terminate a  
14 corporation which should not have been formed under this act, or  
15 which has been formed without a substantial compliance with the  
16 conditions prescribed by this act as precedent to incorporation.

1 Sec. 10. EFFECT OF FILING OR RECORDING PAPERS RE-  
2 BE FILED. The filing or recording of the articles of incorporation,  
3 or amendments thereto, or of any other papers pursuant to the  
4 provisions of this act is required for the purpose of affording  
5 all persons the opportunity of acquiring knowledge of the contents  
6 thereof, but no person dealing with the corporation shall be  
7 charged with constructive notice of any such articles or papers  
8 by reason of such filing or recording.

1 Sec. 11. CORPORATE CAPACITY AND CORPORATE AUTHORITY.  
2 I. A corporation which has been formed under this act, or  
3 a corporation which existed at the time this act took effect and  
4 of a class which might be formed under this act, shall be an  
5 artificial person, and shall have the capacity and the authority  
6 possessed by natural persons to perform all acts, within or  
7 without the state, except such acts as are prohibited to said  
8 corporation by the statutes of the United States or of this state  
9 or by the provisions of the articles of incorporation and except  
10 such acts as are inconsistent with the nature of an artificial  
11 and intangible person, provided that no such corporation shall  
12 have the authority to hold public office, nor to be a voter

13 therefor, nor to engage in the practice of any profession.

14 II. The said corporation may limit the scope of its  
15 business and the authority of its directors, officers and agents  
16 to the same extent as may be done by natural persons or  
17 unincorporated associations.

18 III. Every such corporation which shall desire to limit  
19 its authority may do so by specifying certain definite powers in  
20 its articles of incorporation. In case such definite powers are  
21 stated in its articles of incorporation the authority of the  
22 corporation shall be limited thereto. In case such corporation  
23 desires to obtain general authority it shall state, in the  
24 articles of incorporation, its purpose to be "to have the capacity  
25 and to exercise the authority provided in subdivision I of section  
26 11 of this act."

1 Sec. 12. HOLDING SHARES AND SECURITIES OF CORPORATIONS.

2 I. A corporation to accomplish its purpose, as stated in  
3 the articles of incorporation, may guarantee, acquire, hold,  
4 mortgage, pledge or dispose of the shares, bonds, securities and  
5 other evidence of indebtedness of any domestic or foreign  
6 corporation.

7 II. A corporation shall have the power to purchase, hold,  
8 sell and transfer shares of its own capital stock; provided that  
9 no such corporation shall use its funds or property for the purchase  
10 of its own shares of capital stock when such use would cause any  
11 impairment of the capital of the corporation; and provided further  
12 that shares of its own capital stock belonging to the corporation

13 shall not be voted upon directly or indirectly; and provided, further,  
14 that nothing in this section shall be construed as limiting the  
15 exercise of the rights given by section 42 of this act.

1 Sec. 13. SHARES OF PAR AND NO PAR VALUE.

2 I. The shares of a corporation may be divided into classes  
3 with such rights, voting power, preferences and restrictions as  
4 may be provided for in the articles of incorporation.

5 II. Any or all of the shares may have a par value or have  
6 no par value, as provided in the articles of incorporation.

7 III. Except as otherwise provided by the articles of  
8 incorporation, each share shall be in all respects equal to every  
9 other share.

1 Sec. 14. CERTIFICATE OF STOCK—FORM OF CERTIFICATE.

2 I. Each shareholder shall be entitled to a certificate of  
3 stock signed by the president and the secretary, or by such  
4 officers as the articles of incorporation or by-laws may provide,  
5 but when any such certificate is signed by a transfer agent or  
6 registrar, the signature of any such corporate officer and the  
7 corporate seal, if any, upon such certificate may be facsimilies  
8 engaged or printed.

9 II. Every certificate of stock shall state:

10 a. the state of incorporation;

11 b. the name of the registered holder of the shares  
12 represented thereby;

13 c. the number and class of shares which this certificate  
14 represents;

15 d. the par value of each share represented, or a statement  
16 that such shares have no par value;

17 e. the total number of par value shares which the  
18 corporation is authorized to issue and the par value of each  
19 share; and, if any of its shares have no par value, the authorized  
20 number of such shares;

21 f. if the corporation is authorized to issue shares of more  
22 than one class, the rights, voting powers, preferences and  
23 restrictions granted to or imposed upon the shares of each class,  
24 or a summary thereof with a reference to the articles of  
25 incorporation;

26 g. provisions regarding liens that the corporation may have  
27 upon its stock for debts from a stockholder to said corporation.

28 III. A certificate for shares having no par value shall not  
29 state any par value, nor any value thereof in money, nor any rate  
30 of dividend to which such shares shall be entitled in terms of a  
31 percentage of any par or other value.

32 IV. Upon a further allotment of shares, a corporation may  
33 issue to a shareholder full or fractional share warrants evidencing  
34 the number of shares or the fraction of a share to which the  
35 shareholder is entitled to subscribe pursuant to resolutions of  
36 the board of directors and evidencing the terms or conditions of  
37 such subscription rights.

1 Sec. 15. SHARES—ALLOTMENT AND CONSIDERATION.

2 I. No allotment of shares of a corporation shall be made

3 except:

4 a. pursuant to subscriptions received therefor, or

5 b. pursuant to the declaration of stock dividends.

6 II. Subscriptions for shares may be made payable, as  
7 provided in subdivisions III and IV of this section, with cash,  
8 other property, tangible or intangible, or with necessary  
9 services actually rendered to the corporation.

10 III. Subscriptions for shares having a par value shall be  
11 made payable:

12 a. with cash to an amount not less than the aggregate par  
13 value of the shares subscribed for; or

14 b. with consideration other than cash, the fair valuation  
15 of which, to the corporation, is not less than the aggregate par  
16 value of the shares subscribed for.

17 IV. Subscriptions for shares having no par value shall be  
18 made payable as follows:

19 a. if the subscription is signed before incorporation,  
20 with consideration of the character and value determined by the  
21 incorporators.

22 b. if the subscription is signed after incorporation,  
23 with consideration of the character and value determined by the  
24 shareholders at any annual or special meeting, duly called and  
25 held for that purpose, or determined by the board of directors  
26 acting under authority conferred by the shareholders or by the  
27 articles of incorporation.

28 V. The preemptive right of a shareholder to acquire  
29 additional shares of a corporation may be limited or denied to the

30 extent provided in the articles of incorporation.

1 Sec. 16. ISSUE OF CERTIFICATE OF STOCK.

2 I. A certificate of stock shall not be issued until the  
3 shares represented thereby have been fully paid for.

4 II. Shares allotted as stock dividends, and shares for  
5 which the agreed consideration has been paid, delivered or  
6 rendered to the corporation shall be fully paid shares and non-  
7 assessable.

8 III. When a corporation has received a note or check as  
9 consideration for shares, such shares shall not be considered  
10 as fully paid for until such note or check has been paid.

1 Sec. 17. VALUATION OF CONSIDERATION FOR SHARES. For the  
2 purpose of determining whether shares have been fully paid for  
3 in order to fix the extent of the outstanding obligation of a  
4 shareholder to the corporation with respect to such shares, the  
5 following valuations shall be conclusive :

6 a. the valuation placed by the incorporators, the share-  
7 holders or the directors, as the case may be, upon the consideration  
8 other than cash with which the subscriptions for shares are made  
9 payable ;

10 b. the valuation placed by the board of directors upon the  
11 corporate assets in estimating the surplus to be transferred to  
12 capital as payment for shares to be allotted as stock dividends.

1 Sec. 18. FILING REPORT AND AFFIDAVIT AS TO CONSIDERA-  
2 FOR SHARES—PENALTY FOR FAILURE. TION

3 I. Within thirty days after incorporation, and within ninety

4 days after every subsequent allotment of shares the facts in regard  
5 to which have not been made public in a report previously filed as  
6 required by this section, the corporation shall file in the office  
7 of the secretary of state a report verified by the president or  
8 vice-president and by the secretary, assistant secretary or  
9 treasurer, and containing :

10 a. a statement of the total number of shares allotted up  
11 to the date of the report, the number of such shares that have  
12 no par value, the number of such shares that have a par value,  
13 and the par value thereof ;

14 b. an accurate, detailed and itemized description of the  
15 consideration received or to be received in payment for shares  
16 allotted, or allotted since the date of the last report ;

17 c. a statement of the valuation put by the incorporators,  
18 shareholders or board of directors, as the case may be, upon the  
19 consideration other than cash received or to be received in  
20 payment for shares allotted, or allotted since the date of the  
21 last report, and, in case of shares allotted as a stock dividend,  
22 the amount of surplus transferred to capital in respect of such  
23 dividend, whether all or any part of such surplus was created  
24 by a revaluation of assets, and, if so, the value of the assets  
25 on the books of the corporation before and after such revaluation,  
26 the amount of the surplus or deficit before such revaluation, and  
27 the amount of the surplus after such revaluation.

28 II. For every violation of this section, a corporation  
29 shall be liable to the state in a fine not exceeding five dollars

30 for each day's omission after the time limited for the filing of  
31 such report.

32 III. For his services in filing the report provided for  
33 in this section, the secretary of state shall collect from said  
34 corporation a filing fee as provided in IV of section 63 of this  
35 act.

1 Sec. 19. VALIDITY OF SHARES. The fact that shares are  
2 allotted in violation of, or without full compliance with, the  
3 provisions of this act shall not make the shares so allotted  
4 invalid.

1 Sec. 20. LIABILITY OF INCORPORATORS, SUBSCRIBERS,  
2 SHAREHOLDERS, DIRECTORS AND OFFICERS.

3 I. A subscriber to or holder of shares of a corporation  
4 formed under this act shall be under no liability to the  
5 corporation with respect to such shares other than the obligation  
6 of complying with the terms of the subscription therefor: but  
7 one who became a shareholder in good faith and without knowledge  
8 or notice that the shares he acquired had not been fully paid  
9 for, shall not be liable to the corporation with respect to such  
10 shares.

11 II. A shareholder of a corporation formed under this act  
12 shall not be personally liable for any debt or liability of  
13 the corporation.

14 III. No person holding shares as executor, administrator,  
15 guardian, trustee, trustee of a voting trust, receiver, or in  
16 any other fiduciary capacity, shall be personally liable merely

17 by reason of so holding such shares.

18 IV. Nothing in this act shall be construed as in  
19 derogation of any rights which any person may have under the  
20 common law or the principles of equity against an incorporator,  
21 subscriber, shareholder, director, officer or the corporation  
22 because of any fraud practiced upon him by any of such persons,  
23 or the corporation; or in derogation of any rights which the  
24 corporation may have because of any fraud practiced upon it by  
25 any such persons.

1 Sec. 21. TRANSFER OF CERTIFICATE OF STOCK AND SHARES  
2 REPRESENTED THEREBY. The transfer of certificates of stock and  
3 the shares represented thereby may be regulated by the by-laws  
4 provided such by-laws are not inconsistent with the provisions of  
5 the articles of incorporation or the laws of this state.

1 Sec. 22. CORPORATION'S LIEN ON SHARES.

2 I. If a shareholder be indebted to the corporation on  
3 account of unpaid subscriptions for shares, it shall have a  
4 lien upon such shares for such indebtedness. If such indebtedness  
5 is not paid after demand made upon reasonable notice, the  
6 corporation may sell the shares at public auction, after giving  
7 not less than ten days' notice of the time, place and terms of  
8 sale by registered mail addressed to such shareholder at his  
9 last known place of business or residence and by publication in  
10 some newspaper published in the county where the corporation has  
11 its registered office, or if there be no newspaper in such county,  
12 then in a newspaper of general circulation in such county.

1     Sec. 23. PAID-IN SURPLUS.

2     I. If, upon the allotment of shares having no par value,  
3 any part of the consideration received by the corporation is to  
4 be treated as paid-in surplus rather than as payment upon such  
5 shares, the incorporators, shareholders or directors, as the  
6 case may be, who fix the amount of cash or determine the value  
7 of other consideration so received, shall at that time specify  
8 the proportion of such value that is to be considered as surplus  
9 and the proportion thereof that is to be considered payment for  
10 the shares.

11    II. Amounts of surplus paid in by shareholders shall be  
12 shown on the books of the corporation as a separate item  
13 designated “paid-in surplus.”

1     Sec. 24. DIVIDENDS—METHOD OF ESTIMATING FUND FOR  
2 PAYMENT OF.

3     I. Every corporation formed shall carry upon its books as  
4 a liability the amount of its capital stock as defined in  
5 section 1, subdivision X.

6     II. Amounts of surplus arising from an unrealized  
7 appreciation or revaluation of fixed assets shall be shown on  
8 the books of the corporation as a separate item apart from  
9 surplus profits or paid-in surplus.

10    III. In computing the aggregate of the assets of the  
11 corporation, the board of directors shall determine and make  
12 proper allowance for depreciation and depletion sustained, and  
13 losses of every character. Deferred assets and prepaid expenses

14 shall be written off at least annually in proportion to their  
15 use as may be determined by the board of directors.

16 IV. No corporation shall pay dividends

17 a. in cash or property, except from the surplus of the  
18 aggregate of its assets over the aggregate of its liabilities,  
19 including in the latter the amount of its capital stock, after  
20 deducting from such aggregate of its assets the amount by which  
21 such aggregate was increased by unrealized appreciation in value  
22 or revaluation of fixed assets, provided, however, that no  
23 corporation shall declare or pay cash dividends from paid-in  
24 surplus except by vote of the stockholders previously given ;

25 b. in shares of the corporation, except from the surplus  
26 of the aggregate of its assets over the aggregate of its  
27 liabilities, including in the latter the amount of its capital  
28 stock.

29 V. Cash dividends shall not be paid out of surplus due  
30 to or arising from

31 a. any profit on treasury shares before resale ; or

32 b. any unrealized profits due to increase in valuation  
33 of inventories before sale ; or

34 c. the unaccrued portion of unrealized profits on notes,  
35 bonds, or obligations for the payment of money purchased or  
36 acquired at a discount unless such notes, bonds, or obligations  
37 are readily marketable, in which case they may be taken at their  
38 actual market value ; or

39 d. the unaccrued or unearned portion of any unrealized

40 profit in any form whatever, whether in the form of notes, bonds,  
41 obligations for the payment of money, installment sales, credits  
42 or otherwise.

43 VI. Subject to the limitations contained in this section,  
44 a dividend may be declared in shares of the corporation whenever  
45 the board of directors so determine, provided that

46 a. if the dividend is to be paid in shares having a par  
47 value, the aggregate par value of such shares shall not exceed  
48 the amount of that portion of the corporation's surplus which is  
49 transferred to capital as payment for such shares;

50 b. if the dividend is paid in shares having no par value,  
51 the number of such shares may be fixed by the board of directors;

52 c. no dividend payable in shares of any class shall be  
53 paid to shareholders of any other class unless the articles so  
54 provide or such payment is authorized by the vote of the holders  
55 of a majority of the shares of the class in which the payment is  
56 to be made.

57 VII. A corporation which owns wasting assets intended for  
58 sale in the ordinary course of business, such as mines, or oil or  
59 gas wells, or a corporation which owns property having a limited  
60 life, such as a lease for a term of years, or patents, need not  
61 deduct the depletion of such assets by sale or lapse of time in  
62 the computation of the fund available for dividends, and such a  
63 corporation may pay dividends from the net profits arising from  
64 its business without deduction of such depletion, subject, however,  
65 to the rights of shareholders of different classes, provided,

66 however, that at no time shall the payment of dividends hereunder  
67 reduce the assets of said corporation below an amount sufficient  
68 to pay all creditors of said corporation in full.

1     Sec. 25. Liability of Directors for Dividends. Unlawfully  
2 Paid and in Certain Other Cases.

3     In addition to any other liabilities imposed by law upon  
4 directors of a corporation :

5     a. Directors of a corporation who vote for or assent to  
6 the declaration of any dividend or other distribution of the  
7 assets of a corporation to its shareholders shall be jointly  
8 and severally liable to the corporation for the amount of such  
9 dividend which is paid or the value of such assets which are  
10 distributed if, at the time of such payment or distribution, the  
11 corporation is insolvent or its net assets are less than its capital.

12     b. The directors of a corporation who vote for or assent  
13 to the declaration of any dividend or other distribution of assets  
14 of a corporation to its shareholders which renders the corporation  
15 insolvent or reduces its net assets below its capital shall be  
16 jointly and severally liable to the corporation for the amount of  
17 such dividend which is paid or the value of such assets which are  
18 distributed to the extent that the corporation is thereby rendered  
19 insolvent or its net assets are reduced below its capital.

20     c. The directors of a corporation who vote for or assent  
21 to the declaration of any dividend or other distribution of assets  
22 of a corporation to its shareholders after the filing by such  
23 corporation of a resolution to dissolve without an adequate provision

24 for, or the payment and discharge of all debts, obligations, and  
25 liabilities of the corporation, shall be jointly and severally liable  
26 to the corporation for the amount of such dividend which is paid or  
27 the value of such assets which are distributed, to the extent that  
28 such debts, obligations, and liabilities of the corporation are not  
29 thereafter paid and discharged.

30 d. If a corporation shall commence business before it has  
31 received the total amount of consideration stated in its articles  
32 of incorporation as the amount to be received for shares to be  
33 issued before it shall commence business, the directors who assent  
34 thereto shall be jointly and severally liable to the corporation  
35 for the difference between the amount actually received and the  
36 amount that should have been received before commencing business,  
37 but such liability shall be terminated when the corporation has  
38 actually received the total amount of such consideration.

39 e. A director of a corporation who is present at a meeting  
40 of its board of directors at which a dividend is declared, or any  
41 distribution of assets to its shareholders or loan to an officer  
42 or director is authorized, or any action is taken which constitutes  
43 the commencement of business by the corporation, shall be conclusively  
44 presumed to have assented thereto unless he shall file his written  
45 dissent to such action with the person acting as the secretary of  
46 the meeting before the adjournment thereof or shall forward such  
47 dissent by registered mail to the secretary of the corporation  
48 immediately after the adjournment of the meeting. Such right to  
49 dissent shall not apply to a director who voted in favor of such

50 action.

51 f. A director shall not be liable under either paragraph (a)  
52 or (b) of this section if he relied and acted in good faith upon a  
53 balance sheet and profit and loss statement of the corporation  
54 represented to him to be correct by the president or officer of  
55 such corporation having charge of its books of account, or  
56 certified by an independent public or certified public accountant  
57 or firm of such accountants to fairly reflect the financial  
58 condition of such corporation, nor shall he be so liable if in  
59 good faith in determining the amount available for any such  
60 dividend or distribution he considered the assets to be of their  
61 book value. Any director against whom a claim shall be asserted  
62 under or pursuant to this section and who shall be held liable  
63 thereon, shall be entitled to contribution from the other directors  
64 who are likewise liable thereon.

65 g. Any director against whom a claim shall be asserted  
66 under or pursuant to this section for the improper declaration of  
67 a dividend or other distribution of assets of a corporation and  
68 who shall be held liable thereon, shall be entitled to reimbursement  
69 from the shareholders who accepted or received any such dividend  
70 or assets, in proportion to the amounts received by them respectively.

71 h. No action shall be brought under the provisions of this  
72 section against a director unless brought within two years from  
73 the day on which such payment, distribution, or return was made ;  
74 and no action shall be brought by a director against a shareholder,  
75 under sub-division g unless brought within one year from the date

76 of final judgment against the director or directors.

1     Sec. 26. By-Laws.

2     I. The shareholders of a corporation may make and alter  
3 by-laws not inconsistent with law or the articles of incorporation.

4     II. The authority to make by-laws may be expressly vested  
5 by the articles of incorporation in the board of directors subject  
6 to the power of the shareholders to change or repeal such by-laws.

7     III. The board of directors shall not make or alter any  
8 by-laws fixing their number, qualifications, classifications,  
9 term of office or compensation.

1     Sec. 27. Shareholders' Meetings.

2     I. Shareholders' meetings may be held within or without  
3 the state unless otherwise provided herein or in the articles of  
4 incorporation or by-laws. At least one meeting of the shareholders  
5 shall be held in each calendar year. The by-laws may provide for  
6 the time and place of holding shareholders' meetings.

7     II. Special meetings of the shareholders may be called at  
8 any time by the board of directors, or by such number of shareholders  
9 as may be provided in the articles of incorporation. If more than  
10 eighteen months are allowed to elapse without the annual shareholders'  
11 meeting being held, any shareholder may call such meeting to be held  
12 at the registered office of the corporation.

13     III. An adjournment or adjournments of any annual or special  
14 meeting may be taken without new notice being given, but any meeting  
15 at which directors are to be elected shall not be adjourned for a  
16 period to exceed thirty days without a new notice until such directors

17 have been elected.

18 IV. Persons authorized to call shareholders' meetings shall  
19 cause written notice of the time, place, and purpose of the meeting  
20 to be given all shareholders entitled to vote at such meeting, at  
21 least ten days prior to the day named for the meeting, unless a  
22 different time be provided in the articles of incorporation. If  
23 such written notice is placed in the United States mail, postage  
24 prepaid, and addressed to a shareholder at his last known post office  
25 address, or if he be present at such meeting, in person or by proxy,  
26 notice shall be deemed to have been given him. Notice of any  
27 shareholders' meeting may be waived in writing by any shareholder  
28 at any time.

1 Sec. 28. Voting Rights.

2 I. Except as otherwise provided in the articles of  
3 incorporation every shareholder of record shall have the right  
4 at every shareholders' meeting to one vote for every share standing  
5 in his name on the books of the corporation. Unless the articles  
6 or by-laws otherwise provide, the board of directors may fix a  
7 time not exceeding forty days preceding the date of any meeting of  
8 shareholders, or the date fixed for the payment of any dividend or  
9 distribution, or the date for the allotment of rights, or, subject  
10 to contract rights with respect thereto, the date when any  
11 change or conversion or exchange of shares shall be made or  
12 go into effect, as a record date for the determination of the  
13 shareholders or others entitled to receive payment of any such  
14 dividend, or allotment of rights, or to exercise the rights in

15 respect to any such change, conversion or exchange of shares, and  
16 in such case only shareholders or others of record on the date so  
17 fixed shall be entitled to notice of and to vote at such meeting,  
18 or to receive payment of such dividend, or allotment rights, or  
19 to exercise such rights, as the case may be, and notwithstanding  
20 any transfer of any shares on the books of the corporation after  
21 date fixed as aforesaid, the board of directors may close the  
22 books of the corporation against transfers of shares during the  
23 whole or any part of such period.

24 II. If, by the articles of incorporation, voting power  
25 is granted to the holders of shares of a certain class or classes  
26 and denied to the holders of shares of other classes, then the  
27 person or persons exercising such power shall stand in a fiduciary  
28 relation to the entire body of shareholders and shall be responsible  
29 to the corporation, for the benefit of all shareholders, for any  
30 violation of the obligations of such relationship.

31 III. The articles of incorporation of any corporation may  
32 provide that, in the election of directors, every shareholder of  
33 record shall have the right to multiply the number of votes to which  
34 he may be entitled under sub-division I of this section by the  
35 number of directors to be elected, and he may cast all such votes  
36 for one candidate or he may distribute them among any two or more  
37 candidates.

38 IV. Every shareholder shall have the right to cast his vote  
39 either in person or by proxy duly authorized in writing and filed  
40 with the secretary, subject to the provisions of the articles of

41 incorporation or of the by-laws. Except as may be provided  
42 under sub-division V of this section, a proxy, unless coupled  
43 with an interest, shall be revocable at will notwithstanding  
44 any other agreement or any provision in the proxy to the contrary.  
45 The validity of every unrevoked proxy shall cease eleven months  
46 after the date of its execution unless some other definite period  
47 of validity shall be expressly provided therein, but in no event  
48 shall a proxy, unless coupled with interest, be voted on after  
49 three years from the date of its execution. The revocation of a  
50 proxy shall not be effective until notice thereof has been given  
51 to the secretary of the corporation.

52 V. Every executor, administrator, guardian, or trustee  
53 shall represent the stock in his hands at all corporate meetings,  
54 and may vote the same as a stockholder. Every person who shall  
55 pledge his stock, in the absence of a written agreement to the  
56 contrary, may represent the same at all such meetings and vote  
57 accordingly. The owner of corporate stock levied upon by attachment  
58 or other proceeding shall have the right to vote the same at all  
59 corporate meetings, until such time as he shall have been divested  
60 of his title thereto by execution sale. Nothing contained in this  
61 section shall in any manner conflict with any provision in the  
62 articles of incorporation, or the by-laws of the corporation  
63 issuing the stock.

64 VI. A corporation owning shares in another corporation  
65 may vote the same by its president or by proxy appointed by him  
66 unless some other person, by resolution of its board of directors,

67 shall be appointed to vote such shares, in which case such person  
68 shall be entitled to vote upon the production of a certified copy  
69 of such resolution.

70 VII. Shares of a corporation belonging to said corporation  
71 shall not be voted nor counted in calculating the total voting  
72 power of all shareholders of such corporation at any given time.

73 VIII. A corporation, if appropriate provision is made  
74 therefor in its articles, may, upon the affirmative vote of the  
75 holders of shares entitling them to exercise two-thirds of the  
76 voting power, or such other proportion, not less than a majority,  
77 or vote by classes, as the articles may require, at a meeting  
78 called for the purpose, confer upon the holders of any bonds,  
79 debentures, or obligations issued or to be issued by such  
80 corporation, whether secured by mortgage or otherwise, the power  
81 to vote on election of directors and in respect of the corporate  
82 affairs and management of the corporation and, in such case,  
83 shall fix the extent to which and the conditions and the manner  
84 in which such power to vote shall be exercised; provided, however,  
85 that when such voting power has been conferred it shall not be  
86 diminished as to any bonds, debentures or obligations while they  
87 are outstanding, and, likewise, subject to such restrictions or  
88 qualifications as may be stated in the articles, a corporation may  
89 confer upon the holder of bonds, debentures or obligations the  
90 right of inspection of books of account and minutes of meetings,  
91 and any other rights which the shareholders of said corporation  
92 have or may have.

93 IX. Creditors, whenever they have a right to vote at any  
94 shareholders' meeting, shall have such notice thereof as may be  
95 provided in the articles or by-laws.

1 Sec. 29. Voting Trusts.

2 Shares of stock in any corporation may be transferred to a  
3 trustee or trustees in order to confer upon them the right to vote  
4 and otherwise represent such shares. A duplicate of the voting  
5 trust agreement may be filed in the office of the corporation, and  
6 if so filed shall be open to inspection by any shareholders, or  
7 holder of a voting trust certificate, or his agent, upon the same  
8 terms as the stockbooks of the corporation are open to  
9 inspection. If the voting trust agreement be so filed,  
10 the corporation shall take notice of its terms and the  
11 limitations on the authority of the trustees thereunder.  
12 Any trust, the sole or principal purpose of which is the  
13 voting or representing of shares, may be terminated at any  
14 time by the holders of a majority in interest of the beneficial  
15 interests therein unless otherwise specified therein. No such  
16 voting trusts shall be made irrevocable for a period of more  
17 than ten years.

1 Sec. 30 Quorum.

2 I. A shareholders' meeting duly called can be organized  
3 for the transaction of business whenever a quorum is present.

4 II. Except as otherwise provided in the articles of  
5 incorporation,

6 a. the presence, in person or by proxy, of the holders

7 of a majority of the voting power of all shareholders or others  
8 entitled to vote at said meeting shall constitute a quorum ;  
9 b. the shareholders or others entitled to vote present  
10 at a duly organized meeting can continue to do business until  
11 adjournment, notwithstanding the withdrawal of enough shareholders  
12 and others entitled to vote to leave less than a quorum ;  
13 c. if a meeting can not be organized because a quorum has  
14 not attended, those present may adjourn the meeting to such time  
15 and place as they may determine, subject, however, to the  
16 provisions of Section 27, sub-division III ; but in the case of any  
17 meeting called for the election of directors, those who attend  
18 the second of such adjourned meetings, although less than a quorum  
19 as fixed in this Section or in the articles of incorporation, shall  
20 nevertheless constitute a quorum for the purpose of electing  
21 directors.

1 Sec. 31. Directors.

2 I. Except as otherwise provided in this Act or in the  
3 articles of incorporation, the business of every corporation  
4 shall be managed by a board of one or more directors, who need  
5 not be shareholders unless the articles of incorporation so require.  
6 A director shall hold office for the term for which he was named  
7 or elected and until his successor is elected and qualified.  
8 II. The names and terms of office of the first directors  
9 shall be stated in the articles of incorporation. Except as  
10 provided in paragraph b of sub-division III of this section and  
11 in sub-division VIII of Section 28 of this act, directors other

12 than those constituting the first board, shall be elected by the  
13 shareholders.

14 III. The number, qualifications, terms of office, manner of  
15 election, time and place of meeting, and the powers and duties  
16 of the directors may, subject to the provisions of this Act, be  
17 prescribed by the articles or by-laws.

18 Except as otherwise prescribed by the articles or by-laws :

19 a. a director shall be elected for a term of one year ;

20 b. except as hereinafter provided, vacancies in the board  
21 of directors shall be filled by the remaining members of the  
22 board, and each person so elected shall be a director until his  
23 successor is elected by the shareholders who may make such election  
24 at the next annual meeting of the shareholders, or at any special  
25 meeting duly called for that purpose and held prior thereto ;

26 c. the meetings of the board of directors may be held  
27 at such place, whether in this state or elsewhere, as a majority  
28 of the directors may from time to time appoint ;

29 d. a majority of the board of directors shall be necessary  
30 to constitute a quorum for the transaction of business, and the  
31 acts of a majority of the directors present at a meeting at which  
32 a quorum is present shall be the acts of the board of directors ;

33 e. the board of directors may, by resolution passed by  
34 a majority of the whole board, designate two or more of their  
35 number to constitute an executive committee, who, to the extent  
36 provided in said resolution, shall have and exercise the authority  
37 of the board of directors in the management of the business of

38 the corporation.

39 IV. If the articles so provide the entire board of  
40 directors may be removed from office by a vote of shareholders  
41 holding a majority of the outstanding shares entitled to vote  
42 at an election of directors. In case the board or any one or  
43 more directors be so removed, new directors may be elected at  
44 the same meeting. Unless the entire board be removed, no  
45 individual director shall be removed in case the votes of a  
46 sufficient number of shares are cast against the resolution  
47 for his removal, which if cumulatively voted at an election of  
48 the full board would be sufficient to elect one or more directors.

49 V. The board of directors may declare vacant the office  
50 of a director :

51 a. if he be declared of unsound mind by an order of court,  
52 or finally convicted of felony ;

53 b. if within sixty days, or such other time as the by-laws  
54 specify, after notice of his election, he does not accept such  
55 office either in writing or by attending a meeting of the board  
56 of directors and fulfill such other requirements of qualification  
57 as the by-laws specify.

58 VI. The district court of the county where the registered  
59 office is located may at the suit of any shareholder or shareholders  
60 holding at least twenty-five per cent of the number of outstanding  
61 shares with or without voting rights remove from office any director  
62 or directors in case of fraudulent or dishonest acts or gross  
63 abuse of authority or discretion with reference to the

64 corporation, and may bar from re-election any directors so  
65 removed for a period prescribed by the court. The corporation  
66 shall be made a party to such actions.

1     Sec. 32. Officers and Agents.

2     I. The board of directors shall elect such officers and  
3 appoint such agents as shall be provided for in the articles of  
4 incorporation or the by-laws, and they shall have such powers  
5 and duties as shall be prescribed therein or may be delegated  
6 to them by the directors.

7     II. Any officer or agent may be removed by the board of  
8 directors whenever in their judgment the best interests of the  
9 corporation will be served thereby, such removal, however, shall  
10 be without prejudice to the contract rights of the person so  
11 removed.

1     Sec. 33. Relation of Directors and Officers to Corporation.

2     I. Officers and directors shall be deemed to stand in a  
3 fiduciary relation to the corporation, and shall discharge the  
4 duties of their respective positions in good faith, and with  
5 that diligence, care and skill which ordinarily prudent men would  
6 exercise under similar circumstances in like positions.

7     II. No contract of any corporation made with any director  
8 of such corporation or with a partnership or other group or  
9 association of which any such director shall be a member or with  
10 any other corporation of which such director may be a member or  
11 director and no contract between corporations having common  
12 directors shall be invalid because of such respective facts alone.

13 When the validity of any such contract is questioned, the burden  
14 of proving the fairness to the contracting parties of any such  
15 contract shall be upon such director, partnership, other group or  
16 association, or corporation which shall be asserting the validity  
17 of such contract.

1 Sec. 34. Registered Office and Registered Agent.

2 I. Every corporation shall maintain an office in this  
3 state to be known as its registered office, and a registered  
4 agent. The location and post office address of the registered  
5 office and the name and address of the initial registered agent  
6 shall be stated in the articles of incorporation as provided in  
7 I of Section 3 of this Act. After incorporation, a change in the  
8 person of its registered agent, or of the location of the registered  
9 office within the county may be authorized at any time by a vote of  
10 the board of directors, but on or before the day that such change  
11 is made notice of such change and of the post office address of the  
12 new registered office or the name and address of the new registered  
13 agent shall be filed with the secretary of state.

14 II. The registered office of a corporation shall not be  
15 changed from one county to another county except by amendment to  
16 the articles of incorporation as provided in III of Section 39  
17 of this Act.

18 III. No change of the registered office of a corporation  
19 from one county to another county shall be valid until the articles  
20 of incorporation and all amendments shall have been recorded in the  
21 office of the county recorder of the county to which the registered

22 office of such corporation is changed and proof of same certified by  
23 the county recorder to the secretary of state for filing.

24 IV The registered agent so appointed by a corporation  
25 shall be an agent of such corporation upon whom any process, notice,  
26 or demand required or permitted by law to be served upon a  
27 corporation may be served. In the event that a corporation shall  
28 fail to appoint or maintain a registered agent in this state, then  
29 the secretary of state shall be irrevocably appointed as an agent  
30 of such corporation upon whom any process, notice or demand  
31 required or permitted by law to be served upon the corporation may  
32 be served. Service on the secretary of state of any process,  
33 notice, or demand against a corporation shall be made by  
34 delivering to and leaving with him, or with the deputy secretary  
35 of state, two copies of such process, notice, or demand and a  
36 fee of three dollars, which amount shall be included as taxable  
37 costs in the proceeding in which such process is issued. In the  
38 event that any process, notice, or demand is served on the  
39 secretary of state, he shall immediately cause a copy thereof  
40 to be forwarded by registered mail, with request for return  
41 receipt, addressed to the corporation at its registered office  
42 in this state.

43 V. Nothing herein contained shall limit or affect the  
44 right to serve any process, notice, or demand required or permitted  
45 by law to be served upon a corporation in any other manner now or  
46 hereinafter permitted by law.

47 VI. The secretary of state shall keep a record of all

48 processes, notices, and demands served upon him under this section,  
49 and shall record therein the time of such service and his action  
50 with reference thereto.

1 Sec. 35. Corporate Books and Records. Rights of Stockholders  
2 to Inspect. Penalties.

3 I. Every corporation shall keep at its registered office :

4 a. records of the proceedings of the shareholders and of  
5 the directors, including a copy of the by-laws of the corporation.

6 b. a share register or duplicate thereof giving the names  
7 of the shareholders in alphabetical order, and showing their  
8 respective addresses, the number and classes of shares held by each,  
9 the dates on which they acquired the same.

10 II. Every corporation shall also keep appropriate and  
11 complete books of account.

12 III. A corporation may open a share register in any state  
13 of the United States. It may employ an agent or agents to keep  
14 such register and to record transfers of shares therein, in this  
15 or in other states, or both, and the acts of such agents shall be  
16 binding on the corporation. The duties and liabilities of such  
17 agent or agents shall be such as may be agreed to by the corporation.

18 IV. Every shareholder shall have a right to examine, in  
19 person or by agent or attorney, at any reasonable time or times,  
20 for any reasonable purpose, the share register, books of account  
21 and records of the proceedings of the shareholders and directors  
22 and to make extracts therefrom.

23 V. A corporation shall be liable to the state in a fine

24 not less than ten dollars or more than five hundred dollars if it  
25 neglects to keep any or all of the books or records as required  
26 by I and II of this Section.

1 Sec. 36. Annual Reports. Penalty for Violation of Section.

2 I. Each corporation shall make an annual report, unless  
3 it shall be exempted under the provisions of VII of Section 37 of  
4 this act, and shall deliver said annual report to the secretary of  
5 state between the fifteenth day of January and the last day of  
6 February of each year. The annual report shall include the following :

7 a. the name of the corporation, the address, including  
8 street and number, if any, of its registered office in this state ;

9 b. the name of the registered agent, the address,  
10 including street and number, if any, in this state ;

11 c. the names and respective addresses, including street  
12 and number, if any, of its directors and officers ;

13 d. a brief statement of the character of the business in  
14 which the corporation is actually engaged ;

15 e. a statement of the aggregate number of shares which the  
16 corporation shall have authority to issue, itemized by classes, par  
17 value of shares, shares without par value, and series, if any, within  
18 a class ;

19 f. a statement of the aggregate number of issued shares,  
20 itemized by classes, par value of shares, shares without par  
21 value, and series, if any, within a class ;

22 g. if the consideration received for the issuance of any  
23 shares not theretofore reported as having been issued consists of

24 labor or services performed or of property, other than cash, then  
25 a statement, expressed in dollars, of the value of such consideration  
26 as fixed by the incorporators, the shareholders or the directors,  
27 as the case may be, and a statement of the location and general  
28 description of the property received.

29 II. The annual report of a corporation shall be made on  
30 forms prescribed and furnished by the secretary of state, and the  
31 information therein contained shall be given as of the close of  
32 business on the thirty-first day of December next preceding the  
33 date herein provided for the filing of such report. It shall be  
34 executed by the corporation by the president or vice president and  
35 verified by him, and attested by the secretary or an assistant  
36 secretary, or, if the corporation is in the hands of a receiver or  
37 trustee, it shall be executed in behalf of the corporation and  
38 verified by such receiver or trustee.

39 III. The first annual report of a corporation shall be filed  
40 between the fifteenth day of January and the last day of February  
41 of the year next succeeding the calendar year in which its articles  
42 of incorporation were filed by the secretary of state. If the  
43 secretary of state finds that such report conforms to the requirements  
44 of this act, he shall file the same and indorse thereon the word  
45 "filed" and the month, day and year of the filing thereof. If he  
46 finds that it does not so conform, he shall promptly return the same  
47 to the corporation for any necessary corrections, in which event  
48 the penalties hereinafter prescribed for failure to file such report  
49 within the time hereinabove provided shall not apply, if such report

50 is corrected to conform to the requirements of this act and returned  
51 to the secretary of state in sufficient time to be filed prior  
52 to the first day of April of the year in which it is due.

53 IV. Each corporation that fails or refuses to file its  
54 annual report for any period, within the time prescribed by this  
55 act, shall be subject to a penalty of ten per cent of the amount  
56 of the franchise tax assessed against it for the period beginning  
57 July first of the year in which such report should have been filed.  
58 Such penalty shall be assessed by the secretary of state at the time  
59 of the assessment of the franchise tax. If the amount of franchise  
60 tax as originally assessed against such corporation be thereafter  
61 adjusted in accordance with the provisions of this act, the amount  
62 of the penalty shall be likewise adjusted to ten per cent of the  
63 amount of the adjusted franchise tax. The amount of the franchise  
64 tax and the amount of the penalty shall be separately stated in any  
65 notice to the corporation with respect thereto.

66 V. Each officer and director of a corporation who signs a  
67 report filed with the secretary of state which is known to such  
68 officer or director to be false in any material statement or  
69 representation, shall be deemed to be guilty of a misdemeanor,  
70 and upon conviction thereof may be fined in any amount not exceeding  
71 five hundred dollars, \$500.00.

1 Sec. 37. Franchise Tax.

2 I. Each corporation required by this act to make an annual  
3 report shall pay an annual franchise tax to the secretary of state  
4 during the month of July of each year in which the corporation is

5 required by this act to file an annual report.

6 II. Such corporation shall pay an annual franchise tax  
7 computed on the basis and at the rates as hereinafter prescribed :

8 a. Where the authorized capital stock does not exceed one  
9 thousand shares, ten dollars ; where the authorized capital stock  
10 exceeds one thousand shares but is not more than three thousand  
11 shares, twenty dollars ; where the authorized capital stock exceeds  
12 three thousand shares but is not more than five thousand shares,  
13 twenty-five dollars ; where the authorized capital stock exceeds  
14 five thousand shares but is not more than ten thousand shares, fifty  
15 dollars ; where the authorized capital stock exceeds ten thousand  
16 shares, twenty-five dollars on each ten thousand shares or part  
17 thereof.

18 b. For the purpose of computing the taxes imposed by this  
19 act, the authorized capital stock of a corporation shall be considered  
20 to be the total number of shares which the corporation is authorized  
21 to issue, whether or not the number of shares that may be outstanding  
22 at any one time be limited to a less number. For the purpose of  
23 computing the tax on par value stock each one hundred dollar unit of  
24 authorized capital stock shall be counted as one taxable share.

25 c. In case the corporation has not been in existence during  
26 the whole year, the amount of tax due, at the foregoing rates and  
27 as above provided, shall be pro-rated for the portion of the year  
28 during which the corporation was in existence. In case a corporation  
29 shall have changed during the taxable year, the amount of its  
30 authorized capital stock, the total annual franchise tax payable

31 at the foregoing rates shall be arrived at by adding together the  
32 franchise taxes computed as hereinbefore set forth as pro-rated for  
33 the several periods of the year during which each distinct amount  
34 of authorized capital stock was in effect.

35 III. It shall be the duty of the secretary of state to  
36 collect all annual franchise taxes, fees and penalties imposed by  
37 or assessed in accordance with this Act. Between the first day of  
38 March and the fifteenth day of June of each year the secretary of  
39 state shall assess against each corporation required to file an  
40 annual report in such year the franchise tax payable by it for the  
41 twelve months' period commencing on the first day of July of such  
42 year in accordance with the foregoing provisions, and, if it has  
43 failed to file its annual report within the time prescribed by  
44 this act, the penalty imposed by this act upon such corporation  
45 for its failure so to do; and shall mail a written notice to each  
46 corporation against which such tax is assessed, addressed to such  
47 corporation at its registered office, notifying the corporation

48 a. of the amount of franchise tax assessed against it for  
49 the year next ensuing and the amount of penalty, if any, assessed  
50 against it for failure to file its annual report;

51 b. that objections, if any, to such assessment will be  
52 heard by the officer making the assessment, on or before the  
53 twenty-fifth day of June of such year, upon receipt of a request  
54 from the corporation; and

55 c. that such tax and penalty shall be payable to the  
56 secretary of state on the first day of July next succeeding the

57 date of the notice. Failure to receive such notice shall not  
58 relieve the corporation of its obligation to pay the tax and any  
59 penalty assessed, or invalidate the assessment thereof.

60 IV. The secretary of state shall have power to hear and  
61 determine objections to any assessment of franchise tax within the  
62 time hereinabove specified and, after hearing, to change or modify  
63 any such assessment. In case a hearing on objections to such  
64 assessment of franchise tax shall not be had or requested on or  
65 before the twenty-fifth day of June of the year in which such  
66 assessment is made, due to the absence or illness of some officer  
67 of the corporation, the secretary of state, in his discretion and  
68 upon proper showing of the facts, may grant a hearing on such  
69 objections after such date.

70 V. Any corporation aggrieved by an assessment of a  
71 franchise tax made by the secretary of state, after a hearing  
72 thereon as provided hereinabove, may appeal to the district court  
73 of Polk County, Iowa, within twenty days after the date of said  
74 hearing, by serving a written notice of such appeal on the  
75 secretary of state or the deputy secretary of state and filing  
76 with the clerk of said court a bond to the state of Iowa in the  
77 sum of twice the amount of the franchise tax assessment, with  
78 sufficient surety to be approved by the clerk of said court,  
79 conditioned upon the diligent prosecution of such appeal to final  
80 judgment and the payment within twenty days thereafter of the  
81 amount of the franchise tax, interest, and all costs as shall be  
82 adjudged against the appellant. In the case of such appeal, the

83 secretary of state shall transmit the transcript of the hearing  
84 had before him, as provided in this section hereinabove, to said  
85 court, and the cause shall be tried as an equitable action and  
86 given precedence over all matters pending in said court.

87 VI. All franchise taxes and all penalties for failure to  
88 file annual reports shall be due and payable on the first day of  
89 July of each year. If the annual franchise tax assessed against  
90 any corporation subject to the provisions of this act, together  
91 with all penalties assessed thereon, shall not be paid to the  
92 secretary of state on or before the thirty-first day of July of  
93 the year in which such tax is due and payable, the secretary of  
94 state shall certify such facts to the attorney general, and the  
95 attorney general shall, at any time after the first day of August  
96 of such year, institute an action in the name of the State of  
97 Iowa, in any court of competent jurisdiction, for the recovery  
98 of the amount of such taxes, penalties, and costs of suit, and  
99 prosecute the same to final judgment.

100 VII. Nothing in this act shall be construed as imposing  
101 an annual fee or requiring an annual report and payment of a  
102 franchise tax from any corporation organized for religious,  
103 educational, scientific, or charitable purposes or other corporations  
104 not organized for pecuniary profit, or from any corporation  
105 organized as a building and loan or savings and loan association  
106 in accordance with the provisions of Chapter 417 of the Code 1931  
107 and received a certificate of authority from the auditor of state,  
108 or from any domestic corporation making loans similar to those of

109 building and loan associations and authorized under the provisions  
110 of Chapter 392 of the Code, 1931, or from any corporation engaged  
111 in the banking or loan and trust business, nor from insurance  
112 companies or associations which have paid or have been exempted  
113 from the taxes provided in sections 7021 to 7025, inclusive,  
114 Code 1931, and received a certificate of authority from the  
115 commissioner of insurance.

116 VIII. The secretary of state shall not file any articles,  
117 certificates, reports, resolutions, affidavits, notices, or other  
118 papers relating to any corporation organized under the provisions  
119 of this act while such corporation is in default in the payment of  
120 any fees, franchise taxes, charges, or penalties provided by this  
121 act to be paid by or assessed against it.

122 IX. Any corporation organized prior to the adoption of  
123 this act and whose period of duration has not expired by limitation  
124 and any corporation hereafter organized shall be subject to the  
125 provisions of this act, provided however, any such corporation  
126 organized prior to the adoption of this act and whose period of  
127 duration has not expired by limitation shall be entitled to credit  
128 upon its assessments of franchise tax in an amount equal to that  
129 proportion of the initial filing fee paid the secretary of state  
130 for incorporation as the unexpired portion of the period of duration  
131 bears to the full period of duration of such corporation as provided  
132 by its articles of incorporation and permitted by law, which amount  
133 so credited shall be pro-rated over the unexpired portion of the  
134 period of duration of such corporation. No such corporation shall

135 be entitled to any additional credit for or any refund of the  
136 filing fees or any other charges paid to and collected by the  
137 secretary of state under the provisions of this Act.

1     Sec. 38. Voluntary Transfer of Corporate Assets.

2     I. A voluntary sale, lease or exchange of all the assets of  
3 a corporation may be authorized by it upon such terms and conditions  
4 as it deems expedient, including an exchange for shares in another  
5 corporation, domestic or foreign.

6     II. If the corporation is able to meet its liabilities then  
7 matured, such authorization shall be given at a meeting of  
8 shareholders, duly called for the purpose, and by such vote of the  
9 shareholders as may be provided for in the articles of incorporation  
10 or, if there be no such specific provision, then by the vote of the  
11 holders of two-thirds of the voting power of all shareholders. If  
12 the corporation be unable to meet its liabilities then matured, such  
13 authorization may be given by the vote of the board of directors.

14     III. This section shall not be construed to authorize a  
15 conveyance or exchange of assets in fraud of corporate creditors  
16 or of minority shareholders or shareholders without voting rights,  
17 or in violation of chapter 436 of the Code of Iowa.

1     Sec. 39. Amendments to Articles of Incorporation.

2     I. A corporation may, at a meeting of the shareholders and  
3 others entitled to vote thereat duly called upon notice of the  
4 specific purpose, and in the manner herein provided, amend its articles  
5 in any respect so as to include any provision authorized by this Act.

6     II. An amendment changing the name of the corporation may be

7 adopted by the vote of the holders of a majority of the voting power  
8 of all shareholders and others entitled to vote or by such vote as  
9 the articles of incorporation require.

10 III. An amendment changing the registered office of the  
11 corporation from one county to another county may be adopted by the  
12 vote of the holders of a majority of the voting power of all  
13 shareholders and others entitled to vote or by such vote as  
14 the articles of incorporation require.

15 IV. An amendment altering the articles of incorporation  
16 in any other respect may be adopted by vote of the holders of  
17 two-thirds of the voting power of all shareholders, and others  
18 entitled to vote, or by such vote as the articles of incorporation  
19 require and as may be provided by this Act.

20 V. If an amendment would make any change in the rights of  
21 the holders of shares of any class, or would authorize shares  
22 with preferences in any respect superior to those of outstanding  
23 shares of any class, then the holders of each class of shares so  
24 affected by the amendment shall be entitled to vote as a class upon  
25 such amendment, whether by the terms of the articles of incorporation  
26 such class be entitled to vote or not, and, in addition to the vote  
27 required by IV of this section, the vote of the holders of two-thirds  
28 of the shares of each class so affected by the amendment and others  
29 entitled to vote shall be necessary to the adoption thereof.

30 VI. Any amendment which might be adopted at a meeting of  
31 shareholders as provided in this section, may be adopted without  
32 such a meeting being held if written consent to the amendment has

33 been given by all shareholders and others entitled to vote thereon  
34 as provided in this section.

1     Sec. 40. Articles of Amendment: Contents, Subscription,  
2 Filing and Recording.

3     I. After an amendment has been adopted, articles of  
4 amendment shall be prepared, setting forth the amendment and the  
5 adoption thereof and shall be signed and sworn to by such officers  
6 of the corporation as may be designated by the shareholders to  
7 perform such act.

8     II. The articles of amendment shall be presented to the  
9 secretary of state for the purpose of being filed. Such articles  
10 shall be filed or rejected in the manner provided for the filing  
11 or rejection of articles of incorporation in Section 5 of this Act,  
12 and all of the provisions of I, II, III, IV and V of said Section 5  
13 of this Act shall apply in the case of articles of amendment the  
14 same as in the case of articles of incorporation.

15     III. There shall be paid to the secretary of state before  
16 a certificate of amendment is issued the fees therefor, as provided  
17 in XV and VII or VIII of Section 63 of this act.

18     IV. The articles of amendment shall be recorded in the office  
19 of the secretary of state in a book kept for that purpose and there  
20 shall be endorsed thereon the book and page where the record will  
21 be found. The articles of amendment shall then be forwarded to the  
22 county recorder of the county where the registered office is located  
23 and there be recorded in a book kept therefor, and the recorder shall  
24 endorse thereon the book and page where the record will be found.

1     Sec. 41. Provisions Relating to Certain Amendments.

2     I. If the total number of shares is to be increased or

3 decreased, the articles of amendment shall also state :

4     a. the total number of shares, including those previously

5 authorized, which the corporation will thenceforth be authorized to

6 take :

7     b. the number of shares that have a par value and the par

8 value thereof, and the number of shares that have no par value, and

9     c. if shares are divided into more than one class, a description

10 of the classes, and a statement of the number of shares in each class

11 and of the relative rights, voting power, preferences and restrictions

12 granted to or imposed upon the shares of each class.

13     II. If shares having a par value are to be changed into an

14 equal or different number of shares having a par value, the amount

15 of the consideration for which shares having no par value are

16 allotted to take the place of outstanding shares having a par value

17 shall be deemed to be the amount of the aggregate par value of

18 such outstanding shares, or, if the actual value of such shares

19 be less than their par value, the consideration may be stated in

20 the articles of amendment to be their actual value.

21     III. If shares having no par value are to be changed into

22 an equal or different number of shares having a par value, the

23 shares having a par value which are allotted to take the place of

24 outstanding shares having no par value shall be taken to be fully

25 paid for, but the aggregate par value of such shares shall not

26 exceed the actual value of the assets of the corporation, less its

27 liabilities, represented by the shares having no par value so  
28 exchanged.

29 IV. If shares having no par value are to be changed into a  
30 different number of the same class or of any other class or  
31 classes of shares having no par value, the corporation shall be  
32 deemed to have received for such new shares as represent or take  
33 the place of such outstanding shares the amount of the capital of  
34 the corporation represented by the outstanding shares so changed.

1 Sec. 42. Reduction of Capital Stock.

2 I. The capital stock of a corporation may be reduced by a  
3 resolution adopted by the vote of the holders of two-thirds of  
4 the voting power of all shareholders, cast in person or by proxy  
5 at a meeting of the shareholders duly called and held for that  
6 purpose, or by such vote as the articles of incorporation require.

7 II. Following the adoption of such a resolution for the  
8 reduction of capital stock, articles of reduction of capital stock  
9 shall be prepared and filed in the manner required by section 40  
10 of this Act, for the preparation and filing of articles of amendment.  
11 The articles of reduction shall also state the financial condition  
12 of the corporation and that the proposed reduction will not reduce  
13 the fair value of the assets of the corporation to an amount less  
14 than the total amount of its debts and liabilities plus the  
15 amount of its capital stock as so reduced.

16 III. No attempted reduction of capital stock shall be  
17 effective until the secretary of state has filed the articles  
18 of reduction and issued a certificate of reduction, and no such

19 attempted reduction shall be valid, even if the secretary of  
20 state has filed the articles of reduction and issued a certificate  
21 of reduction, if such reduction would reduce the actual value of  
22 the corporate assets to an extent prohibited by II of this Section.

23 IV. There shall be paid to the secretary of state before  
24 a certificate of reduction is issued as herein provided the  
25 filing and recording fees as provided in IX and XV of Section 63  
26 of this Act.

1 Sec. 43. Rights of a Shareholder not Assenting to Certain  
2 Corporate Action.

3 I. If a corporation has authorized the sale, lease or  
4 exchange of all its assets, in accordance with the provisions  
5 of section 38 of this Act at a time when it is able to meet its  
6 liabilities then matured, or has in accordance with the provisions  
7 of section 44 authorized a renewal of its period of duration,  
8 or has in accordance with the provisions of sections 39, 40, or 41,  
9 authorized an amendment which changes the corporate purposes, or  
10 changes the rights of the holders of any outstanding shares, a  
11 shareholder who voted against such corporate action or who has  
12 not been given prior notice of such proposed action, may, within  
13 twenty days after the date upon which such action was authorized,  
14 object thereto in writing and demand payment for his shares.

15 II. If, after such a demand by a shareholder, the corporation  
16 and the shareholder can not agree upon the value of the shares at  
17 the time such corporate action was authorized, such value shall be  
18 ascertained by three disinterested persons, one of whom shall be

19 named by the shareholder, another by the corporation and the third  
20 by the two thus chosen. The finding of the appraisers shall be  
21 final, and if their award is not paid by the corporation within 30  
22 days after it is made, it may be recovered in an action by the  
23 shareholder against the corporation, provided, that no action for  
24 the recovery of such award shall be brought prior to January first,  
25 1936, and such award shall bear interest at the rate of eight  
26 per cent per annum from the date made. Upon payment by the  
27 corporation to the shareholder of the agreed or awarded price of  
28 his shares, the shareholder shall forthwith transfer and assign the  
29 shares held by him at, and in accordance with, the request of the  
30 corporation.

31 III. A shareholder shall not be entitled to payment for his  
32 shares under the provisions of this section unless the value of  
33 the corporate assets which would remain after such payment would be  
34 at least equal to the aggregate amount of its debts and liabilities  
35 exclusive of capital stock.

1 Sec. 44. Renewal of Corporations.

2 I. A corporation may, at a meeting of the shareholders  
3 duly called upon notice of the specific purpose, and in the manner  
4 herein provided, be renewed so as to extend the period of its  
5 duration for a further definite time or perpetually. A corporation  
6 may, at any time prior to the expiration of its period of duration,  
7 renew same by the vote of the holders of a majority of the voting  
8 power of all shareholders and others entitled to vote, or by such  
9 vote as the articles of incorporation require. A corporation whose

10 period of duration has expired, but which has not been wound up or  
11 dissolved and which has nevertheless inadvertently continued its  
12 active business beyond such period may, at any time within three  
13 years next after its period of duration has expired, renew same by  
14 the vote of the holders of two-thirds of the voting power of all  
15 shareholders and others entitled to vote.

16 II. After a renewal has been adopted, a certificate, showing  
17 the proceedings of the shareholders' meeting signed and sworn to by  
18 the president and secretary of the corporation, or by such other  
19 officers as may be designated by the shareholders and others  
20 entitled to vote, shall be prepared, setting forth :

21 a. The name of the corporation, which shall be the existing  
22 name of the corporation, or the name it bore when its period of  
23 duration expired.

24 b. The location and post office address of the registered  
25 office in this state.

26 c. The name and post office address of the registered  
27 agent in this state.

28 d. Whether or not such renewal is to be perpetual, and if  
29 not perpetual the time for which such renewal is to continue.

30 e. The date on which the period of duration expired or would  
31 expire.

32 f. The date on which such renewal shall commence, which, in  
33 case the period of duration has expired by limitation, shall be the  
34 date of the expiration of the period of duration which it is  
35 desired to renew.

36 . III. Renewal articles of incorporation shall be prepared  
37 and delivered to the secretary of state together with the certificate  
38 of renewal as hereinabove provided for the purpose of being filed.

39 Such articles shall be prepared in the manner and form  
40 prescribed in Section 3 of this Act, except that the articles shall  
41 be signed and acknowledged by the president or a vice president and  
42 secretary or an assistant secretary or by such other officers as may  
43 be designated by the shareholders and others entitled to vote.

44 Such renewal articles of incorporation, when delivered to  
45 the secretary of state for the purpose of being filed shall be filed  
46 or rejected as provided for the filing or rejection of articles  
47 of incorporation in Section 5 of this Act, and all the provisions  
48 of paragraphs I, II, III, IV and V of Section 5 shall apply in the  
49 case of renewal articles as in the case of articles of incorporation.

50 Such renewal articles of incorporation shall be filed and  
51 recorded and a certificate of renewal issued as provided in  
52 Sections 3 and 5 of this act for the filing and recording of articles  
53 of incorporation and the issuance of a certificate of incorporation.

54 IV. The corporate name of a corporation whose period of  
55 duration is renewed as provided by this act shall be regulated by  
56 and subject to all of the provisions of Section 4 of this Act.

57 If the name of a corporation whose period of duration has  
58 expired by limitation has been adopted by any other corporation,  
59 such corporation whose period of duration has expired shall not be  
60 renewed under the same name which it bore when its period of  
61 duration expired, but shall adopt and be renewed under some other

62 name which could be adopted by a corporation formed under the  
63 provisions of this act.

64 V. For filing and recording renewal articles of incorporation,  
65 the secretary of state shall charge and collect the fee as provided  
66 in IX and XV of Section 63 of this Act.

67 A renewal of a corporation as provided by this act shall  
68 not thereby relieve such corporation from payment of any fees, taxes  
69 or penalties that may have accrued against it under any law of  
70 this state.

71 Before a certificate of renewal shall be issued to a  
72 corporation whose period of duration has expired by limitation,  
73 such corporation shall pay all fees, franchise taxes and penalties  
74 due the state which it would by this Act have been liable to pay  
75 if its period of duration had not expired.

76 VI. The renewal of the period of duration of a corporation  
77 as provided by this act shall entitle such corporation to all  
78 the rights, privileges, immunities and powers conferred upon  
79 corporations formed under this act.

80 Such renewal of a corporation whose period of duration  
81 has expired by limitation shall be with the same force and effect  
82 as if its period of duration had not expired by limitation.

83 A corporation whose period of duration has been renewed  
84 as in this Act provided, shall be the same corporation, shall  
85 hold and own all the rights, franchises and property held and  
86 owned by such corporation before renewal, be subject to all its  
87 liabilities, and all shareholders shall have the same rights in

88 the corporation whose period of duration has been renewed, as they  
89 had in such corporation before renewal.

1 Sec. 45. Merger and Consolidation: Authorized.

2 I. Any two or more domestic corporations formed for any  
3 purpose for which a corporation might be formed under this Act,  
4 and any domestic corporations and any foreign corporations with  
5 authority to carry on any business for the conduct of which a  
6 corporation might be organized under this Act, may be  
7 a. merged into one of such domestic corporations, or  
8 b. consolidated into a new corporation to be formed under  
9 this Act, provided such foreign corporations are authorized by the  
10 law or laws of the government under which they were formed to effect  
11 such merger or consolidation.

12 II. Any such domestic corporations and any such foreign  
13 corporations may be  
14 a. merged into one of such foreign corporations, or  
15 b. consolidated into a new corporation to be formed under  
16 the law or laws of the government under which one of such foreign  
17 corporations was formed, provided the laws of such foreign government  
18 authorize such merger or consolidation.

19 II. Any such domestic corporations and any such foreign  
20 corporations may be  
21 a. merged into one of such foreign corporations, or  
22 b. consolidated into a new corporation to be formed  
23 under the law or laws of the government under which one of such  
24 foreign corporations was formed, provided the laws of such foreign

25 government authorize such merger or consolidation.

1 Sec. 46. Merger or Consolidation: Joint Agreement For.

2 The merger or consolidation of corporations can be effected  
3 only as a result of a joint agreement entered into and filed as  
4 follows:

5 I. The board of directors of each of such corporations as  
6 desire to consolidate may, by majority vote, enter into a joint  
7 agreement signed by such directors and prescribing the terms and  
8 conditions of merger or consolidation, the mode of carrying the  
9 same into effect, with such other details and provisions as are  
10 deemed necessary.

11 II. The agreement shall be submitted to the shareholders of  
12 each of said merging or consolidating corporations, and a meeting  
13 thereof, duly called separately in the manner provided in Section 27  
14 of this Act for calling shareholders' meetings, and if, at such  
15 meetings the holders of two-thirds of the voting power of all  
16 shareholders of each corporation shall vote for the adoption of said  
17 agreement, then that fact shall be certified on each said agreement  
18 by the secretary of each corporation, and the agreement so adopted  
19 and certified should be signed by the president and secretary of each  
20 of said corporations and acknowledged by the president of each of  
21 such corporations.

22 III. The agreement so adopted, certified and acknowledged,  
23 shall be delivered to the secretary of state, who, if the same  
24 conforms to law, shall file and record the same in his office upon  
25 payment of the fees as provided in X and XV of Section 63 of

26 this act, and a copy thereof, certified by the secretary of state,  
27 shall be filed for record in the offices of the County Recorder in  
28 this State in which any of the corporate parties to the agreement  
29 have their registered offices, and of any counties in which any of  
30 the corporate parties have land, title to which will be transferred  
31 as a result of the merger or consolidation.

1 Sec. 47. Consolidation: Articles of Incorporation For.

2 I. If the joint agreement is for a consolidation into a  
3 new corporation to be formed under this Act, articles of incorporation  
4 for such new corporation shall be prepared and delivered to the  
5 Secretary of State together with the agreement as provided in the  
6 last preceding Section.

7 II. Such articles shall be prepared in the manner and  
8 form prescribed in Section 3, except that

9 a. the corporations consolidating shall be named as the  
10 incorporators of the new corporation;

11 b. the articles shall be signed by the president or a  
12 vice-president and by the secretary or an assistant secretary of  
13 each of said corporations, and acknowledged by the officers so  
14 signing the articles;

15 c. in lieu of the matter required by sub-divisions f and  
16 h of I of Section 3 of this Act, such articles shall state the  
17 manner of converting the shares of each of the consolidating  
18 corporations into the shares or obligations of the new corporation.

19 III. Such articles shall be filed and recorded and a  
20 certificate of incorporation issued as provided in Section 3 and 5

21 of this Act for the filing of articles of incorporation and the  
22 issuance of a certificate of incorporation. For filing and recording  
23 of such articles there shall be paid to the secretary of state, the  
24 fees as provided in XI and XV of Section 63 of this Act.

1 Sec. 48. When Merger or Consolidation Effective.

2 I. A merger of one or more corporations into a domestic  
3 corporation shall be effective when the joint agreement has been  
4 filed in the office of the secretary of state.

5 II. A consolidation of corporations into a domestic  
6 corporation shall be effective when the joint agreement has been  
7 filed in the office of the secretary of state and when a certificate  
8 of incorporation of the new corporation has been issued by the  
9 secretary of state.

10 III. A merger or consolidation of one or more domestic  
11 corporations into a foreign corporation shall be effective according  
12 to the provisions of law of the jurisdiction in which such foreign  
13 corporation was formed, but not until the joint agreement has been  
14 adopted, certified and acknowledged, and copies thereof filed in  
15 accordance with Section 46 of this Act.

1 Sec. 49. Effect of Merger or Consolidation. Upon the  
2 consummation of the merger or consolidation as provided in the  
3 last preceding section, the effect of such merger or consolidation  
4 shall be:

5 I. That the several parties to the joint agreement shall  
6 be one corporation, which shall be

7 a. in the case of merger, that one of the constituent

8 corporations into which it has been agreed the others shall be  
9 merged and which shall survive the merger for that purpose, or

10 b. in the case of consolidation, the new corporation into  
11 which it has been agreed the others shall be consolidated.

12 II. The separate existence of the constituent corporations  
13 shall cease, except that of the surviving corporation in the case  
14 of merger.

15 III. The surviving or new corporation, as the case may be,  
16 shall possess all the rights, privileges and franchises possessed  
17 by each of the former corporations so merged or consolidated except  
18 that such surviving or new corporation shall not thereby acquire  
19 authority to engage in any business or exercise any right which a  
20 corporation may not be formed under this Act to engage in or exercise.

21 IV. All the property, real, personal and mixed, of each of  
22 the constituent corporations, and all debts due on whatever account  
23 to any of them, including subscriptions for shares and other choses  
24 in action belonging to any of them shall be taken and be deemed to be  
25 transferred to and invested in such surviving or new corporation, as  
26 the case may be, without further act or deed.

27 V. The surviving or new corporation shall be responsible for  
28 all the liabilities and obligations of each of the corporations merged  
29 or consolidated, in the same manner as if such surviving or new  
30 corporation had itself incurred such liabilities or obligations; but  
31 the liabilities of such constituent corporations or of their shareholders,  
32 directors or officers shall not be affected, nor shall the rights of  
33 the creditors thereof or of any persons dealing with such corporations

34 be impaired by such merger or consolidation, and any claim existing  
35 or action or proceeding pending by or against any of such constituent  
36 corporations may be prosecuted to judgment as if such merger or  
37 consolidation had not taken place, or the surviving or new corporation  
38 may be proceeded against or substituted in its place.

1     Sec. 50. Rights of Dissenting Shareholders.

2     I. When a corporation has become a party to a merger or  
3 consolidation agreement, as hereinbefore provided, any shareholder  
4 of such a corporation who voted against such merger or consolidation  
5 at the meeting at which the merger or consolidation was authorized  
6 or who did not have prior notice of said meeting may, at any time  
7 within twenty days after such authorization was given, object thereto  
8 in writing and demand payment for his shares and have the value of his  
9 shares appraised as provided in Section 43 of this Act, all of the  
10 provisions of which Section shall in all respects be applicable.  
11 The liability of such corporation to such dissenting shareholder  
12 for the value of his shares so agreed upon or awarded shall also  
13 be a liability of the surviving or new corporation, as the case  
14 may be.

1     Sec. 51. Proceedings for Dissolution Either Voluntary or  
2 Involuntary.

3     I. A corporation may be wound up and dissolved either  
4 voluntarily or involuntarily.

5     II. If the proceedings are voluntary, they may be conducted  
6 either out of court or subject to the supervision of the court.

7     III. If the proceedings are involuntary they must be subject

8 to the supervision of the court.

1 Sec. 52. Voluntary Proceedings for Dissolution.

2 I. Voluntary proceedings for dissolution may be instituted  
3 whenever a resolution therefor is adopted by the holders of at  
4 least two-thirds of the voting power of all shareholders at a  
5 shareholders' meeting duly called for the purpose or in accordance  
6 with the provisions of the articles of incorporation.

7 II. The resolution may provide that the affairs of the  
8 corporation shall be wound up out of court, in which case the  
9 resolution must designate a trustee or trustees to conduct the  
10 winding up, but such appointment shall not be operative until

11 a. duplicate copies of such resolution have been signed  
12 and acknowledged by a majority of the directors or by shareholders  
13 holding a majority of the voting power of all shareholders, and

14 b. one of such copies has been filed in the office of the  
15 secretary of state and a filing fee paid as provided in XII of  
16 Section 63 of this act, and the other copy in the office of the  
17 county recorder of the county in which the corporation has its  
18 registered office.

19 III. The resolution may provide that the affairs of the  
20 corporation shall be wound up under the supervision of the court  
21 in which case the resolution shall authorize certain directors or  
22 shareholders to sign and present a petition to the court praying  
23 that the corporation be wound up and dissolved under the supervision  
24 of the court. A copy of such resolution shall be filed in the  
25 office of the secretary of state and a filing fee paid as required

26 in XII of Section 63 of this Act.

27 IV. Where a corporation is being wound up and dissolved out  
28 of court, the trustee or trustees appointed by the shareholders, or  
29 a majority of them, may by petition apply to the court to have the  
30 proceedings continued under the supervision of the court, and  
31 thereafter the proceedings shall continue as if originally instituted  
32 subject to the supervision of the court.

1 Sec. 53. Grounds for Involuntary Proceedings for Dissolution.

2 The court may, upon petition being filed, entertain  
3 proceedings for the involuntary dissolution of a corporation when  
4 it is made to appear.

5 I. That the corporate assets are sufficient to pay all just  
6 demands for which the corporation is liable or to afford reasonable  
7 security to those who may deal with it; or

8 II. That the objects of the corporation have wholly failed,  
9 or are entirely abandoned or their accomplishment is impracticable;

10 III. That the number of directors is even and they are  
11 equally divided respecting the management of the corporate affairs,  
12 and, when the voting power of all shareholders is equally divided  
13 into independent ownerships or interests, and one-half thereof favor  
14 the course of part of the directors and one-half favor the course of  
15 the other directors, or the holders of such equal parts of the voting  
16 power are unable to agree on the election of the board of directors  
17 consisting of an uneven number.

1 Sec. 54. Who May Institute Involuntary Proceedings.

2 I. A petition for involuntary proceedings for dissolution

3 may be filed by either.

4 a. a shareholder.

5 b. a creditor whose claim has either been reduced to  
6 judgment or is admitted by the corporation.

7 II. The commencement of a proceeding for dissolution and  
8 of court shall not affect the right of any person to institute  
9 involuntary proceedings for dissolution.

1 Sec. 55. Winding Up in Proceedings Out of Court.

2 I. The trustees appointed by the shareholders to conduct  
3 a winding up out of court shall, as speedily as possible after his  
4 or their appointment has become operative as provided in Section 52,  
5 proceed

6 a. to collect all sums due or owing to the corporation.

7 b. to sell and convert into cash any and all corporate assets.

8 c. to collect the whole, or so much as may be necessary or  
9 just, of any amounts remaining unpaid on subscriptions to shares, and

10 d. out of the sums so realized, to pay all debts and  
11 liabilities of the corporation according to their respective priorities.

12 II. Any surplus remaining after paying all debts and liabilities  
13 of the corporation shall be paid by the trustee or trustees to the  
14 shareholders according to their respective rights and preferences.

15 III. Nothing in this Section shall interfere with a  
16 reorganization pursuant to provisions hereinafter contained in  
17 this Act.

1 Sec. 56. Appointment of Receivers.

2 I. The court may appoint a liquidating receiver or receivers

3 a. upon the filing of a petition by a corporation for  
4 voluntary proceedings for dissolution ; or

5 b. upon the petition of a trustee or trustees appointed by  
6 the shareholders as provided in IV of Section 52, or

7 c. upon the filing of a petition for involuntary proceedings  
8 for dissolution, but only after process has issued against the  
9 corporation and any other defendants named in the petition and  
10 after the filing of answers admitting the allegations of the petition,  
11 or after proof of such allegations if the same are not admitted.

12 II. The court shall, upon the filing of any such petition,  
13 have the ordinary powers of a court of equity to appoint a receiver  
14 or receivers pendente lite when necessary to the ends of justice,  
15 but the authority of any such temporary receiver or receivers shall  
16 cease upon the appointment and qualification of a liquidating  
17 receiver or receivers.

1 Sec. 57. Qualifications and Duties of Receivers.

2 I. The receiver or receivers, appointed as provided in the  
3 last preceding Section, shall, after giving such bond as the court  
4 may require for the faithful performance of his or their duties,  
5 proceed with the liquidation of the affairs of the corporation in  
6 such manner as the court shall direct.

7 II. Trustees or receivers in dissolution proceedings shall  
8 have full authority to compromise, compound and settle claims by or  
9 against the corporation upon such terms as they shall deem best ;  
10 but if the proceeding is subject to the supervision of the court,  
11 no such compromise, composition or settlement shall be valid unless

12 approved by the court.

13 III. Such trustees or receivers may summon meetings of the  
14 shareholders in the manner the directors might have done, or if the  
15 proceedings are subject to the supervision of the court, in such  
16 manner as the court may direct.

1 Sec. 58. Filling Vacancy in the Office of Trustee.

2 A vacancy occurring by death, resignation or otherwise in  
3 the office of trustee when the proceeding is not subject to the  
4 supervision of the court, may be filled by resolution adopted by  
5 the holders of a majority of the voting power represented at a  
6 meeting duly called for the purpose by the surviving or remaining  
7 trustee or trustees, if any, and if none, then at a shareholders'  
8 meeting duly called by the directors.

1 Sec. 59. Time and Effect of Commencement of Proceedings  
2 for Dissolution.

3 I. A proceeding for dissolution shall be deemed to commence

4 a. at the time of the passage of the resolution therefor,  
5 if the proceeding is out of court ;

6 b. at the time of the filing of the petition therefor, if  
7 the proceeding is subject to the supervision of the court.

8 II. When a proceeding for dissolution has commenced,

9 a. the authority and duties of the directors and officers  
10 of the corporation shall cease, except insofar as may be necessary  
11 to preserve the corporate assets, or insofar as they may be  
12 continued by the trustee or receiver, or as may be necessary for  
13 the calling of meetings of shareholders ;

14 b. any transfer of shares or alteration in the status of  
15 shareholders shall be

16 1. void, if the proceeding is out of court, insofar as  
17 concerns any right of the corporation against a subscriber or  
18 shareholder; or

19 2. void, if the proceeding is subject to the supervision  
20 of the court, insofar as concerns any right of the corporation  
21 against a subscriber or shareholder, or except insofar as the court  
22 may otherwise order.

1 Sec. 60. Certain Rules in Bankruptcy Proceedings Applicable  
2 to Proceedings for Dissolution.

3 In a proceeding for dissolution subject to the supervision  
4 of the court, the following matters shall be governed by the same  
5 rules as are applicable in bankruptcy proceedings under the National  
6 Bankruptcy Act as in force at the time of the dissolution  
7 proceedings:

8 I. All questions in respect to proof, allowance,  
9 payment and priority of payment of claims.

10 II. All questions in respect to the effect of any  
11 preference of corporate creditors secured through a transfer  
12 of property or through legal proceedings.

1 Sec. 61. Compromise Arrangements: Reorganization:  
2 Approval and Effect.

3 I. When a compromise or arrangement is proposed between  
4 a corporation and its creditors or any class of them, or between  
5 the corporation and its shareholders or any class of them, or

6 between the corporation and both creditors and shareholders or  
7 any class or classes of them, the court may, upon the application  
8 in a summary way of the corporation or any creditor or shareholder  
9 or of a liquidating trustee or receiver of the corporation, order  
10 a meeting of the creditors or class of creditors, or of the  
11 shareholders or class of shareholders, as the case may be, to be  
12 summoned in such manner as the court may direct.

13 II. If the majority in number representing fifty per cent  
14 or more in value of the creditors or class of creditors or if the  
15 shareholders or class of shareholders holding fifty per cent or  
16 more of the voting power of all shareholders or of the class of  
17 shareholders, as the case may be, agree to any compromise or  
18 arrangement or to a reorganization of the corporation as a  
19 consequence of such arrangement and the said reorganization shall,  
20 if sanctioned by the court, be binding on all the creditors or  
21 class of creditors, and on all the shareholders or class of  
22 shareholders, as the case may be, and also on the corporation and  
23 its liquidating trustee or receiver, if any.

1 Sec. 62. Order or Certificate of Dissolution: Filing Same.

2 I. When a corporation has been completely wound up, the  
3 court, if the proceeding is subject to the supervision of the  
4 court, shall make an order declaring the corporation to be  
5 dissolved; and if the proceeding is out of court, the trustee or  
6 trustees shall sign and acknowledge a certificate stating that  
7 the corporation has been completely wound up and is dissolved.

8 II. Said order or certificate of dissolution shall be

9 delivered to the secretary of state who shall file the same in  
10 his office and thereupon the corporate existence shall terminate.  
11 For filing such order or certificate of dissolution the secretary  
12 of state shall be paid a filing fee as provided in XIII of  
13 Section 63 of this Act.

14 III. A duplicate copy of said order or certificate of  
15 dissolution shall be filed for record in the office of the county  
16 recorder of the county in which the corporation had its last  
17 registered office.

18 IV. Any assets inadvertently or otherwise omitted from  
19 the winding up shall vest in the trustee or trustees, or receiver  
20 or receivers, for the benefit of the persons who would have been  
21 entitled if they had been in his hands before the dissolution of  
22 the corporation, and shall be distributed accordingly.

1 Sec. 63. Fees of Secretary of State.

2 The secretary of state shall charge and receive the  
3 following fees for the following services;

4 I. For filing a notice to reserve a corporation name  
5 provided for in V of Section 4 of this act, three dollars.

6 II. For filing articles of incorporation and issuing a  
7 certificate of incorporation provided for in Section 5 of this  
8 act, twenty-five dollars, and in addition, a fee on the authorized  
9 capital stock, with or without par value, computed on the basis of  
10 one cent for each share of authorized capital stock having a par  
11 value up to and including ten thousand shares, one-half of a  
12 cent for each share in excess of ten thousand shares; one-half

13 of a cent for each share of authorized capital stock without par  
14 value up to and including ten thousand shares, one-fourth of a  
15 cent for each share in excess of ten thousand shares, provided,  
16 however, that in no case shall the amount paid be less than  
17 ten dollars, \$10.00. For the purpose of computing the fee on  
18 par value stock, each one hundred dollar unit of authorized stock  
19 shall be counted as one taxable share.

20 III. For filing an affidavit of capital stock paid-in  
21 provided for in Section 18 of this act, one dollar.

22 IV. For filing a report as to consideration for shares  
23 provided for in Section 18 of this act, one dollar.

24 V. For filing a notice of change of location of registered  
25 office or change of registered agent provided for in Section 34  
26 of this act, one dollar.

27 VI. For filing articles of amendment if no increase in  
28 the number of authorized shares of stock, and for issuing a  
29 certificate of amendment, provided for in Section 40 of this  
30 act, five dollars.

31 VII. For filing articles of amendment increasing the  
32 number of authorized shares of capital stock, provided for in  
33 Section 41 of this act, the fee shall be an amount equal to the  
34 difference between the fee computed under II herein upon the total  
35 number of authorized shares including the proposed increase, and  
36 the fee so computed upon the total number of authorized shares  
37 excluding the proposed increase; provided however, that in no case  
38 shall the amount paid be less than ten dollars.

39 VIII. For filing articles of reduction of capital stock  
40 provided for in Section 42 of this act, five dollars.

41 IX. For filing articles of renewal, certificate and  
42 issuing a certificate of renewal provided for in Section 44  
43 of this act, twenty-five dollars, and in addition, a fee on the  
44 authorized shares of capital stock computed on the same basis as  
45 required under II of this Section.

46 X. For filing a joint agreement for a merger or  
47 consolidation provided for in Section 46 of this Act, ten dollars.

48 XI. For filing articles for consolidation and joint  
49 agreement provided for in Section 47 of this Act, twenty-five  
50 dollars and in addition, a fee on the authorized shares of capital  
51 stock computed on the same basis provided for under II of this  
52 Section.

53 XII. For filing a resolution of voluntary dissolution  
54 provided for in Section 52 of this act, one dollar.

55 XIII. For filing an order or certificate of dissolution  
56 provided for in Section 62 of this act, one dollar.

57 XIV. For filing any other statement or report except an  
58 annual report, one dollar.

59 XV. For recording articles of incorporation, articles of  
60 amendment, articles of renewal, articles of reduction of capital  
61 stock, articles of consolidation, affidavits, applications,  
62 certificates, notices, orders, reports, resolutions or any other  
63 paper or instrument provided for and required to be recorded by  
64 this Act, a recording fee of ten cents per hundred words, no

65 recording fee to be less than fifty cents.

66 XVI. For filing articles of incorporation and any renewal  
67 thereof of a corporation or association without capital stock and  
68 whose business is conducted strictly on a mutual and co-operative  
69 plan and not for profit, twenty-five dollars. For filing articles  
70 of amendment of such corporation or association, five dollars.

71 XVII. For certifying a copy of any corporation record,  
72 instrument, or paper with seal attached, one dollar.

73 XVIII. For copying any corporation record, instrument or  
74 paper, or any part thereof, fifty cents per page of thirty lines,  
75 for original copies and twenty-five cents per page for each  
76 duplicate copy thereof, no copy fee to be less than fifty cents.

1 Sec. 64. Action to Annul, Vacate or Forfeit Corporate  
2 Franchise.

3 I. The Attorney General may bring an action against any  
4 corporation to procure a judgment annulling, vacating or forfeiting,  
5 as the case may be, its articles of incorporation and franchise  
6 upon the ground that

7 a. the corporate franchise was procured through fraud  
8 practiced upon the State; or

9 b. the corporation has offended against any provision of  
10 an Act by or under which it was formed, altered or renewed, or an  
11 Act amending the same and applicable to the corporation; or

12 d. the corporation has exercised authority not conferred  
13 upon it, or abused authority conferred upon it; or

14 e. the corporation has done or omitted any act which

15 amounts to a surrender of its corporate franchise, has failed or  
16 discontinued to exercise its corporate privileges or has abandoned  
17 the corporate enterprise.

18 II. In any such actions, the court may grant the relief  
19 asked for, or such other or partial relief as to it seems just  
20 and expedient.

1 Sec. 65. Sale of Franchises.

2 Any franchise of a corporation, other than the franchise  
3 of being a corporation, may be sold by the corporation in like manner  
4 as other property of the corporation, and may be levied upon by  
5 creditors of the corporation under execution and sold, and the  
6 purchaser thereof shall become vested with all the powers of  
7 the corporation and subject to all the liabilities of the  
8 corporation with respect to such franchise sold or levied upon  
9 under execution and sold.

1 Sec. 66. Expense of Organization.

2 A corporation may pay as cost of organization or  
3 reorganization the reasonable charges and expenses incident thereto  
4 and may also pay or allow reasonable compensation for the sale  
5 or underwriting, at the time of organization or thereafter, of  
6 its shares and securities or any part thereof, but all amounts  
7 so paid out or allowed or any balance thereof not previously  
8 charged off shall be stated on the books of the corporation and  
9 on every balance sheet prepared therefrom until the whole thereof  
10 has been written off.

1 Sec. 67. Expiration and Closing of Business.

2 Corporations whose charters expire by limitation or the  
3 voluntary act of the shareholders may nevertheless continue to  
4 act for the purpose of winding up their affairs.

1 Sec. 68. Reserved Powers.

2 The articles of incorporation, by-laws, rules and  
3 regulations of corporations hereafter organized under the  
4 provisions of either Title XIX, XX, XXI, or XXII of the Code 1931,  
5 or whose organization may be adopted or amended thereunder,  
6 shall at all times be subject to legislative control, and may be  
7 at any time altered, abridged or set aside by law, and every  
8 franchise obtained, used or enjoyed by such corporation may be  
9 regulated, withheld, or be subject to conditions imposed upon  
10 the enjoyment thereof, whenever the general assembly shall deem  
11 necessary for the public good.

1 Sec. 69. Application to Existing Corporations.

2 Except where otherwise expressly stated herein, this  
3 Act shall be applicable to any existing corporation formed  
4 under Chapters 384, 385, and 385-a 1 of the Code 1931 for a  
5 purpose or purposes for which a corporation might be formed  
6 under this Act.

1 Sec. 70. Repeal.

2 Sections, Iowa Code, 8339, 8340, 8341, 8342, 8343, 8344,  
3 8345, 8346, 8347, 8348, 8349, 8350, 8353, 8354, 8355, 8356, 8357,  
4 8358, 8359, 8360, 8361, 8362, 8363, 8364, 8365, 8366, 8367, 6368,  
5 8368-d1, 8369, 8370, 8371, 8372, 8373, 8374, 8375, 8375-d1, 8376,  
6 8377, 8378, 8379, 8381, 8382, 8383, 8384, 8385, 8385-d1, 8385-d2,

7 8386, 8387, 8388, 8389, 8390, 8391, 8392, 8393, 8394, 8395, 8396,  
8 8397, 8398, 8399, 8400, 8401, 8402, 8403, 8404, 8405, 8406, 8407,  
9 8408, 8409, 8410, 8411, 8412, 8413, 8414, 8415, 8416, 8417, 8418,  
10 8419, 8419-c1, 8419-c2, 8419-c3, 8419-c4, 8419-c5, 8419-c6, 8419-c7,  
11 8419-c8, 8419-c9, 8419-c10, 8419-c11, 8419-c12, 8439, 8440, 8441,  
12 8442, 8443, 8444, 8445, 8446, 8447, 8448, 8449, 8450, 8451, 8452,  
13 8453, 8454, 8455, 8456, 8458 are hereby repealed.

1 Sec. 71. Saving Clause.

2 This Act shall not impair or affect any act done, offense  
3 committed or right accruing, accrued or acquired, or liability,  
4 penalty, forfeiture or punishment incurred prior to the time this  
5 Act takes effect, but the same may be enjoyed, asserted, enforced,  
6 prosecuted or inflicted, as fully and to the same extent as if  
7 this Act had not been passed.

1 Sec. 72. Constitutionality.

2 The invalidity of any portion of this Act shall not affect  
3 the validity of any other portion thereof which can be given effect  
4 without such invalid part.

1 Sec. 73 Monopolies and Restraint of Trade.

2 Nothing in this Act shall be interpreted to authorize a  
3 corporation to do any act in violation of the common law or  
4 the statutes of this state or of the United States with respect  
5 to monopolies and illegal restraint of trade.

1 Sec. 74. Titles.

2 Sectional titles of subject matter set forth and used in  
3 this act shall not be taken or considered to be any part of this  
4 act.