

MAR 28 1973

HOUSE FILE 529

Commerce  
*Sen. Juchering 6/12, Sen 6/19*

By HILL and STANLEY  
(Kelly)

Passed House, Date 6-11-73 (1825) Passed Senate, Date 6-23-73 (2057)  
Vote: Ayes 82 Nays 3 Vote: Ayes 37 Nays 0  
Approved 7-6-73

## A BILL FOR

- 1 An Act relating to business corporations.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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1 Section 1. Section four hundred ninety-six A point four  
2 (496A.4), subsection nineteen (19), paragraph e, Code 1973,  
3 is amended to read as follows:

4 e. Expenses, including attorney fees, incurred in de-  
5 fending a civil or criminal action, suit, or proceeding may  
6 be paid by the corporation in advance of the final disposi-  
7 tion of such action, suit, or proceeding as authorized in  
8 the manner provided in paragraph "d" upon receipt of an under-  
9 taking by or on behalf of the director, officer, employee,  
10 or agent to repay such amount unless it shall ultimately be  
11 determined that he is entitled to be indemnified by the cor-  
12 poration as authorized in this section.

13 Sec. 2. Section four hundred ninety-six A point twenty-  
14 eight (496A.28), Code 1973, is amended to read as follows:

15 496A.28 NOTICE OF SHAREHOLDERS' MEETINGS. Written or  
16 printed notice stating the place, day and hour of the meet-  
17 ing and, in case of a special meeting, the purpose or purposes  
18 for which the meeting is called, shall be delivered not less  
19 than ten nor more than ~~fifty~~ sixty days before the date of  
20 the meeting, either personally or by mail, by or at the  
21 direction of the president, the secretary, or the officer  
22 or persons calling the meeting, to each shareholder of record  
23 entitled to vote at such meeting. If mailed, such notice  
24 shall be deemed to be delivered when deposited in the United  
25 States mail addressed to the shareholder at his address as  
26 it appears on the stock transfer books of the corporation,  
27 with postage thereon prepaid.

28 Sec. 3. Section four hundred ninety-six A point twenty-  
29 nine (496A.29), Code 1973, is amended to read as follows:

30 496A.29 CLOSING OF TRANSFER BOOKS AND FIXING RECORD DATE.  
31 For the purpose of determining shareholders entitled to notice  
32 of or to vote at any meeting of shareholders or any adjourn-  
33 ment thereof, or entitled to receive payment of any dividend,  
34 or in order to make a determination of shareholders for any  
35 other proper purpose, the board of directors of a corporation

1 may provide that the stock transfer books shall be closed  
2 for a stated period but not to exceed, in any case, ~~fifty~~  
3 sixty days. If the stock transfer books shall be closed for  
4 the purpose of determining shareholders entitled to notice  
5 of or to vote at a meeting of shareholders, such books shall  
6 be closed for at least ten days immediately preceding such  
7 meeting. In lieu of closing the stock transfer books, the  
8 bylaws, or in the absence of an applicable bylaw the board  
9 of directors, may fix in advance a date as the record date  
10 for any such determination of shareholders, such date in any  
11 case to be not more than ~~fifty~~ sixty days and, in case of  
12 a meeting of shareholders, not less than ten days prior to  
13 the date on which the particular action, requiring such de-  
14 termination of shareholders, is to be taken. If the stock  
15 transfer books are not closed and no record date is fixed  
16 for the determination of shareholders entitled to notice of  
17 or to vote at a meeting of shareholders, or shareholders en-  
18 titled to receive payment of a dividend, the date on which  
19 notice of the meeting is mailed or the date on which the  
20 resolution of the board of directors declaring such dividend  
21 is adopted, as the case may be, shall be the record date for  
22 such determination of shareholders. When a determination  
23 of shareholders entitled to vote at any meeting of share-  
24 holders has been made as provided in this section, such de-  
25 termination shall apply to any adjournment thereof.

26 Sec. 4. Section four hundred ninety-six A point sixty-  
27 eight (496A.68), subsection three (3), Code 1973, is amended  
28 to read as follows:

29 3. The manner and basis of converting the shares of each  
30 merging corporation into shares ~~or~~ or obligations or other  
31 securities of the surviving corporation or of any other  
32 corporation or, in whole or in part, into cash; or other  
33 ~~property or shares; obligations or other securities of any~~  
34 ~~other corporation.~~

35 Sec. 5. Section four hundred ninety-six A point sixty-

1 nine (496A.69), subsection three (3), Code 1973, is amended  
2 to read as follows:

3 3. The manner and basis of converting the shares of each  
4 corporation into shares ~~or~~ obligations or other securities  
5 of the new corporation, or of any other corporation, in whole  
6 or in part, into cash, or other property ~~or-shares, obligations~~  
7 ~~or-other-securities-of-any-other-corporation~~.

8 Sec. 6. Section four hundred ninety-six A point one hun-  
9 dred three (469A.103), subsection seven (7), Code 1973, is  
10 amended to read as follows:

11 7. Creating evidences-of-debt, mortgages-or-liens-on as  
12 borrower or lender, or acquiring, indebtedness or mortgages  
13 or other security interests in real or personal property.

14 Sec. 7. Section four hundred ninety-six A point one hun-  
15 dred twenty-one (496A.121), subsection nine (9), unnumbered  
16 paragraph two (2), Code 1973, is amended to read as follows:

17 Such annual report shall be made on forms prescribed and  
18 furnished by the secretary of state, and the information  
19 therein contained shall be given as of the first day of January  
20 of the year in which the report is due. It shall be executed  
21 by the corporation by its president, a vice-president,  
22 secretary, an assistant secretary, or treasurer, ~~and-veri-~~  
23 ~~fied-by-the-officer-executing-the-report,~~ or, if the cor-  
24 poration is in the hands of a receiver, trustee, or assignee  
25 for benefit of creditors, it shall be executed on behalf of  
26 the corporation ~~and-verified~~ by such receiver, trustee or  
27 assignee.

28 EXPLANATION

29 This bill provides for including attorney fees as an ad-  
30 vanceable expense by a corporation in section 496A.4, subsec-  
31 tion 19, paragraph e, as provided in paragraphs a, b, and  
32 c of that section.

33 The bill also provides for sixty rather than fifty days  
34 in which to give notice of shareholders meetings, closing  
35 transfer books and recording date.

1 The bill also amends the merger and consolidation pro-  
2 cedure and provides for the lending and borrowing by foreign  
3 corporation and eliminates the requirement for verification  
4 of annual reports.

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