

## CHAPTER 321

## CORPORATIONS

H. F. 368

AN ACT relating to certain types of corporations and the formation, merger, consolidation, dissolution, liquidation, admission to do business in this state and withdrawal therefrom, authority, powers and rights thereof, and requirements therefor, and the regulation and conduct of affairs thereof.

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

1     SECTION 1. Short title. This Act shall be known and may be cited  
2     as the "Iowa Business Corporation Act".

1     SEC. 2. Definitions. As used in this Act, unless the context otherwise  
2     requires, the term:

3     1. "Person" means an individual, a corporation (domestic or foreign),  
4     a partnership, an association, a trust or a fiduciary.

5     2. "Corporation" or "domestic corporation" means a corporation  
6     for profit subject to the provisions of this Act, except a foreign corporation.  
7

8     3. "Foreign corporation" means a corporation for profit organized  
9     under laws other than the laws of this state for a purpose or purposes  
10    for which a corporation may be organized under this Act.

11    4. "Articles of incorporation" means the original or restated articles  
12    of incorporation and all amendments thereto and includes articles  
13    of merger.

14    5. "Shares" means the units into which the proprietary interests  
15    in a corporation are divided.

16    6. "Subscriber" means one who subscribes for shares in a corporation,  
17    whether before or after incorporation.

18    7. "Shareholder" means one who is a holder of record of shares in  
19    a corporation.

20    8. "Authorized shares" means the shares of all classes which the  
21    corporation is authorized to issue.

22    9. "Treasury shares" means shares of a corporation which have  
23    been issued, have been subsequently acquired by and belong to the  
24    corporation, and have not, either by reason of the acquisition or  
25    thereafter, been canceled or restored to the status of authorized but  
26    unissued shares. Treasury shares shall be deemed to be "issued"  
27    shares, but not "outstanding" shares.

28    10. "Net assets" means the amount by which the total assets of a  
29    corporation, excluding treasury shares, exceed the total debts of the  
30    corporation.

31    11. "Stated capital" means, at any particular time, the sum of  
32    (a) the par value of all shares of the corporation having a par value  
33    that have been issued, (b) the amount of the consideration received  
34    by the corporation for all shares of the corporation without par value  
35    that have been issued, except such part of the consideration therefor  
36    as may have been allocated to surplus in a manner permitted by law,  
37    and (c) such amounts not included in clauses (a) and (b) of this  
38    subsection as have been transferred to stated capital of the corporation,  
39    whether upon the issue of shares as a share dividend or otherwise,  
40    minus all reductions from such sum as have been effected in a

41 manner permitted by law. Irrespective of the manner of designation  
42 thereof by the laws under which a foreign corporation is organized,  
43 the stated capital of a foreign corporation shall be determined on the  
44 same basis and in the same manner as the stated capital of a domes-  
45 tic corporation, for the purposes of computing fees and other charges  
46 now or hereafter imposed by this Act.

47 12. "Surplus" means the excess of the net assets of a corporation  
48 over its stated capital.

49 13. "Insolvent" means inability of a corporation to pay its debts  
50 as they become due in the usual course of its business.

1 SEC. 3. **Purposes.** Subject to the provisions of subsection 1 of  
2 section 142 of this Act, corporations may be organized under this  
3 Act for any lawful purpose or purposes.

1 SEC. 4. **General powers.** Each corporation, unless otherwise stated  
2 in its articles of incorporation, shall have power:

3 1. To have perpetual succession by its corporate name unless a  
4 limited period of duration is stated in its articles of incorporation.

5 2. To sue and be sued, complain and defend, in its corporate name.

6 3. To have a corporate seal which may be altered at pleasure, and  
7 to use the same by causing it, or a facsimile thereof, to be impressed  
8 or affixed or in any other manner reproduced.

9 4. To purchase, take, receive, lease, or otherwise acquire, own,  
10 hold, improve, use and otherwise deal in and with, real or personal  
11 property, or any interest therein, wherever situated.

12 5. To sell, convey, mortgage, pledge, lease, exchange, transfer and  
13 otherwise dispose of all or any part of its property and assets.

14 6. To lend money to, and otherwise assist its employees, officers  
15 and directors.

16 7. To purchase, take, receive, subscribe for, or otherwise acquire,  
17 own, hold, vote, use, employ, sell, mortgage, lend, pledge, or other-  
18 wise dispose of, and otherwise use and deal in and with, shares or  
19 other interests in, or obligations of, other domestic or foreign cor-  
20 porations, associations, partnerships or individuals, or direct or  
21 indirect obligations of the United States or of any other government,  
22 state, territory, governmental district or municipality or of any  
23 instrumentality thereof.

24 8. To make contracts and guaranties and incur liabilities, borrow  
25 money at such lawful rates of interest as the corporation may deter-  
26 mine, issue its notes, bonds, and other obligations, and secure any of  
27 its obligations by mortgage or pledge of all or any of its property,  
28 franchises and income, and to guarantee the obligations of other  
29 persons.

30 9. To lend money for its corporate purposes, invest and reinvest  
31 its funds, and take and hold real and personal property as security  
32 for the payment of funds so loaned or invested.

33 10. To conduct its business, carry on its operations, and have  
34 offices and exercise the powers granted by this Act in any state, ter-  
35 ritory, district, or possession of the United States, or in any foreign  
36 country.

37 11. To elect or appoint officers and agents of the corporation, and  
38 define their duties and fix their compensation.

39 12. To make and alter bylaws, not inconsistent with its articles of

40 incorporation or with the laws of this state, for the administration  
41 and regulation of the affairs of the corporation.

42 13. To make donations for the public welfare for religious, chari-  
43 table, scientific or educational purposes.

44 14. In time of war to transact any lawful business in aid of the  
45 United States in the prosecution of the war.

46 15. To indemnify any director or officer or former director or  
47 officer of the corporation, or any person who may have served at its  
48 request as a director or officer of another corporation in which it  
49 owns shares of capital stock or of which it is a creditor, against  
50 expenses actually and reasonably incurred by him in connection with  
51 the defense of any action, suit or proceeding, civil or criminal, in  
52 which he is made a party by reason of being or having been such  
53 director or officer, except in relation to matters as to which he shall  
54 be adjudged in such action, suit or proceeding to be liable for negli-  
55 gence or misconduct in the performance of duty; and to make any  
56 other indemnification that shall be authorized by the articles of in-  
57 corporation or by any bylaw or resolution adopted by the sharehold-  
58 ers after notice.

59 16. To pay pensions and establish pension plans, pension trusts,  
60 profit-sharing plans, stock-bonus plans, stock-option plans and other  
61 incentive, insurance and welfare plans for any or all of its directors,  
62 officers and employees.

63 17. To cease its corporate activities and surrender its corporate  
64 franchise.

65 18. To have and exercise all powers necessary or convenient to  
66 effect any or all of the purposes for which the corporation is organ-  
67 ized.

1 SEC. 5. Right of corporation to acquire and dispose of its own  
2 shares. A corporation shall have the right to purchase, take, receive,  
3 or otherwise acquire, hold, own, pledge, transfer, or otherwise dis-  
4 pose of its own shares, but purchases of its own shares, whether  
5 direct or indirect, shall be made only to the extent of surplus.

6 Notwithstanding the foregoing limitation, a corporation may pur-  
7 chase or otherwise acquire its own shares for the purpose of:

8 1. Eliminating fractional shares.

9 2. Collecting or compromising indebtedness to the corporation.

10 3. Paying dissenting shareholders entitled to payment for their  
11 shares under the provisions of this Act.

12 4. Effecting, subject to the other provisions of this Act, the retire-  
13 ment of its redeemable shares by redemption or by purchase at not  
14 to exceed the redemption price.

15 No purchase of or payment for its own shares shall be made at a  
16 time when the corporation is insolvent or when such purchase or  
17 payment would make it insolvent.

1 SEC. 6. Defense of ultra vires. No act of a corporation and no  
2 conveyance or transfer of real or personal property to or by a cor-  
3 poration shall be invalid by reason of the fact that the corporation  
4 was without capacity or power to do such act or to make or receive  
5 such conveyance or transfer, but such lack of capacity or power may  
6 be asserted:

7 1. In a proceeding by a shareholder against the corporation to  
8 enjoin the doing of any act or acts or the transfer of real or per-  
9 sonal property by or to the corporation. If the unauthorized acts or  
10 transfer sought to be enjoined are being, or are to be, performed or  
11 made pursuant to any contract to which the corporation is a party,  
12 the court may, if it deems the same to be equitable, set aside and  
13 enjoin the performance of such contract, without prejudice to the  
14 rights of persons not parties to the proceeding, and in so doing may  
15 allow to the corporation or to the other parties to the contract, as  
16 the case may be, compensation for the loss or damage sustained by  
17 either of them which may result from the action of the court in set-  
18 ting aside and enjoining the performance of such contract, but an-  
19 ticipated profits to be derived from the performance of the contract  
20 shall not be awarded by the court as a loss or damage sustained.

21 2. In a proceeding by the corporation, whether acting directly or  
22 through a receiver, trustee, or other legal representative, or through  
23 shareholders in a representative suit, against the incumbent or for-  
24 mer officers or directors of the corporation.

25 3. In a proceeding by the attorney general, as provided in this  
26 Act, to dissolve the corporation, or in a proceeding by the attorney  
27 general to enjoin the corporation from the transaction of unauthor-  
28 ized business.

1 SEC. 7. **Corporate name.** The corporate name:

2 1. Shall contain the word "corporation", "company", "incorpo-  
3 rated" or "limited" or shall contain an abbreviation of one of such  
4 words.

5 2. Shall not contain any word or phrase which indicates or implies  
6 that it is organized for any purpose other than one or more of the  
7 purposes contained in its articles of incorporation.

8 3. Shall not be the same as, or deceptively similar to, the name of  
9 any domestic corporation existing under the laws of this state or any  
10 foreign corporation authorized to transact business in this state, or  
11 a name the exclusive right to which is, at the time, reserved in the  
12 manner provided in this Act, or the name of a corporation which  
13 has in effect a registration of its corporate name as provided in this  
14 Act.

15 4. Shall be the name under which the corporation shall transact its  
16 business in this state unless the corporation shall have filed with the  
17 secretary of state a statement, verified by one of its officers, setting  
18 forth the name other than its corporate name under which it pro-  
19 poses to do business, and the nature of the business to be conducted  
20 under each such name. Any name proposed to be assumed by a cor-  
21 poration shall be such as could, under the provisions of this section,  
22 be adopted as its corporate name, except that such assumed name  
23 need not be dissimilar to its own corporate name.

1 SEC. 8. **Reserved name.** The exclusive right to the use of a cor-  
2 porate name may be reserved by:

3 1. Any person intending to organize a corporation under this Act.

4 2. Any domestic corporation intending to change its name.

5 3. Any foreign corporation intending to make application for a  
6 certificate of authority to transact business in this state.

7 4. Any foreign corporation authorized to transact business in this  
8 state and intending to change its name.

9       5. Any person intending to organize a foreign corporation and in-  
10 tending to have such corporation make application for a certificate of  
11 authority to transact business in this state.

12       The reservation shall be made by filing with the secretary of state  
13 an application to reserve a specified corporate name, executed by the  
14 applicant. If the secretary of state finds that the name is available  
15 for corporate use, he shall reserve the same for the exclusive use of  
16 the applicant for a period of ninety days.

17       The right to the exclusive use of a specified corporate name so re-  
18 served may be transferred to any other person or corporation by  
19 filing in the office of the secretary of state a notice of such transfer,  
20 executed by the applicant for whom the name was reserved, and  
21 specifying the name and address of the transferee.

1       **SEC. 9. Registered name.** Any corporation organized and exist-  
2 ing under the laws of any state or territory of the United States or  
3 the District of Columbia may register its corporate name under this  
4 Act, provided its corporate name is not the same as, or deceptively  
5 similar to, the name of any domestic corporation existing under the  
6 laws of this state, or the name of any foreign corporation authorized  
7 to transact business in this state, or any corporate name reserved or  
8 registered under this Act.

9       Such registration shall be made by:

10       1. Filing with the secretary of state (a) an application for regis-  
11 tration executed by the corporation by an officer thereof, setting  
12 forth the name of the corporation, the state or territory under the  
13 laws of which it is incorporated, the date of its incorporation, a  
14 statement that it is carrying on or doing business, and a brief state-  
15 ment of the business in which it is engaged, and (b) a certificate set-  
16 ting forth that such corporation is in good standing under the laws  
17 of the state or territory wherein it is organized, executed by the sec-  
18 retary of state of such state or territory or by such other official as  
19 may have custody of the records pertaining to corporations, and

20       2. Paying to the secretary of state a registration fee in the amount  
21 of two dollars for each month, or fraction thereof, between the date  
22 of filing such application and December 31 of the calendar year in  
23 which such application is filed.

24       Such registration shall be effective until the close of the calendar  
25 year in which the application for registration is filed.

1       **SEC. 10. Renewal of registered name.** A corporation which has  
2 in effect a registration of its corporate name, may renew such regis-  
3 tration from year to year by annually filing an application for re-  
4 newal setting forth the facts required to be set forth in an original  
5 application for registration and a certificate of good standing as  
6 required for the original registration and by paying a fee of twenty  
7 dollars. A renewal application may be filed between the first day of  
8 October and the thirty-first day of December in each year, and shall  
9 extend the registration for the following calendar year.

1       **SEC. 11. Registered office and registered agent.** Each corporation  
2 shall have and continuously maintain in this state:

3       1. A registered office which may be, but need not be, the same as  
4 its place of business.

5 2. A registered agent or agents who may be either an individual  
6 or individuals resident in this state, the business office of whom shall  
7 be identical with such registered office, or a domestic corporation, or  
8 a foreign corporation authorized to transact business in this state,  
9 having a business office identical with such registered office.

10 In addition to all other statutory provisions relating to venue, an  
11 action may be brought against any corporation in the county where  
12 its registered office is maintained or, if a corporation fails to main-  
13 tain a registered office in this state, then in any county within the  
14 state.

1 SEC. 12. Change of registered office or registered agent. A cor-  
2 poration may change its registered office or change its registered  
3 agent or agents, or both office and agent or agents upon filing in the  
4 office of the secretary of state a statement setting forth:

- 5 1. The name of the corporation.
- 6 2. The address of its then registered office.
- 7 3. If the address of its registered office be changed, the address to  
8 which the registered office is to be changed.
- 9 4. The name of its then registered agent or agents.
- 10 5. If its registered agent or agents be changed, the name of its suc-  
11 cessor registered agent or agents.

12 6. That the address of its registered office and the address of the  
13 business office of its registered agent or agents, as changed, will be  
14 identical.

15 7. That such change was authorized by resolution duly adopted by  
16 its board of directors.

17 Such statement shall be executed by the corporation by its presi-  
18 dent or a vice-president, and verified by him. If the registered office  
19 is changed from one county to another, such statement shall be  
20 executed in duplicate. Such statement shall be delivered to the sec-  
21 retary of state for filing and recording in his office, and the state-  
22 ment shall be filed and recorded in the office of the county recorder;  
23 and if the registered office is changed from one county to another, the  
24 same shall be filed and recorded in the office of the recorder of the  
25 county in which the registered office was located prior to the filing  
26 of such statement in the office of the secretary of state, and in the  
27 office of the recorder of the county to which the registered office is  
28 changed.

29 If the registered office is changed from one county to another, the  
30 corporation shall also cause to be filed and recorded forthwith in the  
31 office of the recorder of the county to which such registered office is  
32 changed, its original articles of incorporation and all amendments  
33 thereto, or copies thereof certified by the secretary of state, or its  
34 restated articles and all amendments thereto, or copies thereof certi-  
35 fied by the secretary of state.

36 The change of address of registered office or the change of regis-  
37 tered agent or agents or both registered office and agent or agents, as  
38 the case may be, shall become effective upon the filing of such state-  
39 ment by the secretary of state, but until such statement is recorded  
40 in the office of the recorder as above prescribed, service of process,  
41 notice or demand required or permitted by law to be served upon the  
42 corporation may be served upon the person who was its registered  
43 agent at its registered office prior to the filing of such statement

44 with the same force and effect as if no change in registered office or  
45 registered agent had been made.

46 Any registered agent of a corporation may resign as such agent  
47 upon filing a written notice thereof, executed in duplicate, with the  
48 secretary of state, who shall record one copy and forthwith mail the  
49 other copy thereof to the corporation at its registered office. The copy  
50 recorded by the secretary of state shall be sent by him to the county  
51 recorder of the county in which the registered office is located for  
52 recording in his office. The appointment of such agent shall termi-  
53 nate upon the expiration of thirty days after receipt of such notice  
54 by the secretary of state.

1 SEC. 13. **Service of process on corporation.** The registered agent  
2 so appointed by a corporation shall be an agent of such corporation  
3 upon whom any process, notice or demand required or permitted by  
4 law to be served upon the corporation may be served.

5 Whenever a corporation shall fail to appoint or maintain a regis-  
6 tered agent in this state, or whenever its registered agent cannot  
7 with reasonable diligence be found at the registered office, then the  
8 secretary of state shall be an agent of such corporation upon whom  
9 any such process, notice, or demand may be served. Service on the  
10 secretary of state of any such process, notice, or demand shall be  
11 made by delivering to and leaving with him, or with any clerk hav-  
12 ing charge of the corporation department of his office, duplicate  
13 copies of such process, notice or demand. In the event any such proc-  
14 ess, notice or demand is served on the secretary of state, he shall  
15 immediately cause one of the copies thereof to be forwarded by reg-  
16 istered or certified mail, addressed to the corporation at its regis-  
17 tered office. No corporation served in accordance with the procedure  
18 provided for by this paragraph shall be in default until thirty days  
19 have elapsed following such service on the secretary of state.

20 The secretary of state shall keep a record of all processes, notices  
21 and demands served upon him under this section, and shall record  
22 therein the time of such service and his action with reference thereto.

23 Nothing herein contained shall limit or affect the right to serve any  
24 process, notice or demand required or permitted by law to be served  
25 upon a corporation in any other manner now or hereafter permitted  
26 by law.

1 SEC. 14. **Authorized shares.** Each corporation shall have power  
2 to create and issue the number of shares stated in its articles of in-  
3 corporation. Such shares may be divided into one or more classes,  
4 any or all of which classes may consist of shares with par value or  
5 shares without par value, with such designations, preferences, limi-  
6 tations, and relative rights as shall be stated in the articles of incor-  
7 poration. The articles of incorporation may limit or deny the voting  
8 rights of, or provide special voting rights for, the shares of any class  
9 to the extent not inconsistent with the provisions of this Act.

10 Without limiting the authority herein contained, a corporation,  
11 when so provided in its articles of incorporation, may issue shares of  
12 preferred or special classes:

13 1. Subject to the right of the corporation to redeem any of such  
14 shares at the price fixed by the articles of incorporation for the re-  
15 demption thereof.

16 2. Entitling the holders thereof to cumulative, noncumulative or  
17 partially cumulative dividends.

18 3. Having preference over any other class or classes of shares as to  
19 the payment of dividends.

20 4. Having preference in the assets of the corporation over any  
21 other class or classes of shares upon the voluntary or involuntary  
22 liquidation of the corporation.

23 5. Convertible into shares of any other class or into shares of any  
24 series of the same or any other class, except a class having prior or  
25 superior rights and preferences as to dividends or distribution of  
26 assets upon liquidation, but shares without par value shall not be  
27 converted into shares with par value unless that part of the stated  
28 capital of the corporation represented by such shares without par  
29 value is, at the time of conversion, at least equal to the aggregate  
30 par value of the shares into which the shares without par value are  
31 to be converted.

1 SEC. 15. Issuance of shares of preferred or special classes in se-  
2 ries. If the articles of incorporation so provide, the shares of any pre-  
3 ferred or special class may be divided into and issued in series. If  
4 the shares of any such class are to be issued in series, then each  
5 series shall be so designated as to distinguish the shares thereof from  
6 the shares of all other series and classes. Any or all of the series of  
7 any such class and the variations in the relative rights and prefer-  
8 ences as between different series may be fixed and determined by the  
9 articles of incorporation, but all shares of the same class shall be  
10 identical except as to the following relative rights and preferences,  
11 as to which there may be variations between different series:

12 1. The rate of dividend.

13 2. The price at and the terms and conditions on which shares may  
14 be redeemed.

15 3. The amount payable upon shares in event of involuntary liquida-  
16 tion.

17 4. The amount payable upon shares in event of voluntary liquida-  
18 tion.

19 5. Sinking fund provisions for the redemption or purchase of  
20 shares.

21 6. The terms and conditions on which shares may be converted, if  
22 the shares of any series are issued with the privilege of conversion.

23 If the articles of incorporation shall expressly vest authority in the  
24 board of directors, then, to the extent that the articles of incorpora-  
25 tion shall not have established series and fixed and determined the  
26 variations in the relative rights and preferences as between series,  
27 the board of directors shall have authority to divide any or all of  
28 such classes into series and, within the limitations set forth in this  
29 section and in the articles of incorporation, fix and determine the  
30 relative rights and preferences of the shares of any series so estab-  
31 lished.

32 In order for the board of directors to establish a series, where  
33 authority so to do is contained in the articles of incorporation, the  
34 board of directors shall adopt a resolution setting forth the designa-  
35 tion of the series and fixing and determining the relative rights and  
36 preferences thereof, or so much thereof as shall not be fixed and  
37 determined by the articles of incorporation.



38 Prior to the issue of any shares of a series established by resolu-  
39 tion adopted by the board of directors, the corporation shall file in  
40 the office of the secretary of state a statement setting forth:

41 7. The name of the corporation.

42 8. A copy of the resolution establishing and designating the series,  
43 and fixing and determining the relative rights and preferences there-  
44 of.

45 9. The date of adoption of such resolution.

46 10. That such resolution was duly adopted by the board of direc-  
47 tors.

48 Such statement shall be executed by the corporation by its presi-  
49 dent or a vice-president and by its secretary or an assistant secre-  
50 tary, and acknowledged by one of the officers signing such statement,  
51 and shall be delivered to the secretary of state for filing and record-  
52 ing in his office, and the same shall be filed and recorded in the office  
53 of the county recorder.

54 Upon the filing of such statement by the secretary of state, the  
55 resolution establishing and designating the series and fixing and  
56 determining the relative rights and preferences thereof shall become  
57 effective and shall constitute an amendment of the articles of incor-  
58 poration.

1 SEC. 16. **Subscriptions for shares.** A subscription for shares of a  
2 corporation to be organized shall be irrevocable for a period of six  
3 months, unless otherwise provided by the terms of the subscription  
4 agreement or unless all of the subscribers consent to the revocation  
5 of such subscription.

6 Unless otherwise provided in the subscription agreement, sub-  
7 scriptions for shares, whether made before or after the organization  
8 of a corporation, shall be paid in full at such time, or in such install-  
9 ments and at such times, as shall be determined by the board of  
10 directors. Any call made by the board of directors for payment on  
11 subscriptions shall be uniform as to all shares of the same class or as  
12 to all shares of the same series, as the case may be.

1 SEC. 17. **Consideration for shares.** Shares having a par value  
2 may be issued for such consideration expressed in dollars, not less  
3 than the par value thereof, as shall be fixed from time to time by the  
4 board of directors.

5 Shares without par value may be issued for such consideration ex-  
6 pressed in dollars as may be fixed from time to time by the board of  
7 directors unless the articles of incorporation reserve to the share-  
8 holders the right to fix the consideration. In the event that such right  
9 be reserved as to any shares, the shareholders shall, prior to the issu-  
10 ance of such shares, fix the consideration to be received for such  
11 shares, by a vote of the holders of a majority of all shares entitled to  
12 vote thereon.

13 Treasury shares may be disposed of by the corporation for such  
14 consideration expressed in dollars as may be fixed from time to time  
15 by the board of directors.

16 That part of the surplus of a corporation which is transferred to  
17 stated capital upon the issuance of shares as a share dividend shall be  
18 deemed to be the consideration for the issuance of such shares.

19 In the event of a conversion of shares, or in the event of an ex-

20 change of shares with or without par value for the same or a different  
21 number of shares with or without par value, whether of the same or  
22 a different class or classes, the consideration for the shares so issued  
23 in exchange or conversion shall be deemed to be (1) the stated capital  
24 then represented by the shares so exchanged or converted, and (2)  
25 that part of surplus, if any, transferred to stated capital upon the  
26 issuance of shares for the shares so exchanged or converted, and (3)  
27 any additional consideration paid to the corporation upon the issu-  
28 ance of shares for the shares so exchanged or converted.

1 SEC. 18. **Payment for shares.** The consideration for the issuance  
2 of shares may be paid, in whole or in part, in money, in other prop-  
3 erty, tangible or intangible, or in labor or services actually performed  
4 for the corporation. When payment of the consideration for which  
5 shares are to be issued shall have been received by the corporation,  
6 such shares shall be deemed to be fully paid and nonassessable.

7 Neither promissory notes of the subscriber nor future services  
8 shall constitute payment or part payment, for shares of a corpora-  
9 tion.

10 In the absence of fraud in the transaction, the judgment of the  
11 board of directors or the shareholders, as the case may be, as to the  
12 value of the consideration received for shares shall be conclusive.

1 SEC. 19. **Stock rights and options.** Subject to any provisions in  
2 respect thereof set forth in its articles of incorporation, a corpora-  
3 tion may create and issue, whether or not in connection with the  
4 issuance and sale of any of its shares or other securities, rights or  
5 options entitling the holders thereof to purchase from the corpora-  
6 tion shares of any class or classes. Such rights or options shall be  
7 evidenced in such manner as the board of directors shall approve and,  
8 subject to the provisions of the articles of incorporation, shall set  
9 forth the terms upon which, the time or times within which and the  
10 price or prices at which such shares may be purchased from the cor-  
11 poration upon the exercise of any such right or option. If such  
12 rights or options are to be issued to the directors, officers or employ-  
13 ees of the corporation, or of any subsidiary thereof, their issuance  
14 shall be approved by a majority of the outstanding shares entitled to  
15 vote thereon, at a duly constituted meeting or authorized by, and  
16 consistent with, a plan theretofore approved by such a vote of share-  
17 holders and, in every instance, such approval or plan shall be set  
18 forth or incorporated by reference in the instrument or instruments  
19 evidencing such rights or options. In the absence of fraud in the  
20 transaction, the judgment of the board of directors as to the ade-  
21 quacy of the consideration received for such rights or options shall  
22 be conclusive. The price or prices to be received for any shares hav-  
23 ing a par value shall not be less than the par value thereof. The pro-  
24 visions of this section shall not limit the right of the corporation to  
25 grant rights and options with respect to treasury shares.

1 SEC. 20. **Determination of amount of stated capital.** In case of  
2 the issuance by a corporation of shares having a par value, the con-  
3 sideration received therefor shall constitute stated capital to the ex-  
4 tent of the par value of such shares, and the excess, if any, of such  
5 consideration shall constitute surplus.

6 In case of the issuance by a corporation of shares without par  
7 value, the entire consideration received therefor shall constitute  
8 stated capital unless the corporation shall determine as provided in  
9 this section that only a part thereof shall be stated capital. Within a  
10 period of sixty days after the issuance of any shares without par  
11 value, the board of directors may allocate to surplus any portion of  
12 the consideration received for the issuance of such shares. No such  
13 allocation shall be made of any portion of the consideration received  
14 for shares without par value having a preference in the assets of the  
15 corporation in the event of involuntary liquidation except the amount,  
16 if any, of such consideration in excess of such preference.

17 The stated capital of a corporation may be increased from time to  
18 time by resolution of the board of directors directing that all or a  
19 part of the surplus of the corporation be transferred to stated capi-  
20 tal. The board of directors may direct that the amount of the sur-  
21 plus so transferred shall be deemed to be stated capital in respect of  
22 any designated class of shares.

1 **SEC. 21. Expenses of organization, reorganization and financing.**  
2 The reasonable charges and expenses of organization or reorganiza-  
3 tion of a corporation, and the reasonable expenses of and compensa-  
4 tion for the sale or underwriting of its shares, may be paid or allowed  
5 by such corporation out of the consideration received by it in pay-  
6 ment for its shares without thereby rendering such shares not fully  
7 paid and nonassessable.

1 **SEC. 22. Certificates representing shares.** The shares of a corpo-  
2 ration shall be represented by certificates signed by such officers,  
3 employees or agents as are authorized by the articles of incorporation  
4 or bylaws to sign. If no contrary provision is made in the articles or  
5 bylaws, such certificates shall be signed by the president or a vice  
6 president and the secretary or an assistant secretary of the corpora-  
7 tion, and may be sealed with the seal of the corporation or a facsimile  
8 thereof. The signatures of the president or vice president and the  
9 secretary or assistant secretary or other persons signing for the cor-  
10 poration upon a certificate may be facsimiles if the certificate is  
11 countersigned by a transfer agent, or registered by a registrar, other  
12 than the corporation itself or an employee of the corporation. In case  
13 any officer or other authorized person who has signed or whose fac-  
14 simile signature has been placed upon such certificate for the corpora-  
15 tion shall have ceased to be such officer or employee or agent before  
16 such certificate is issued, it may be issued by the corporation with the  
17 same effect as if he were such officer or employee or agent at the date  
18 of its issue.

19 Every certificate representing shares issued by a corporation which  
20 is authorized to issue shares of more than one class shall set forth  
21 upon the face or back of the certificate, or shall state that the corpo-  
22 ration will furnish to any shareholder upon request and without  
23 charge, a full statement of the designations, preferences, limitations,  
24 and relative rights of the shares of each class authorized to be issued  
25 and, if the corporation is authorized to issue any preferred\* or spe-  
26 cial class in series, the variations in the relative rights and prefer-

\*According to enrolled Act.

27 ences between the shares of each such series so far as the same have  
28 been fixed and determined and the authority of the board of directors  
29 to fix and determine the relative rights and preferences of subse-  
30 quent series.

31 Each certificate representing shares shall state upon the face  
32 thereof:

33 1. That the corporation is organized under the laws of this state.

34 2. The name of the person to whom issued.

35 3. The number and class of shares, and the designation of the  
36 series, if any, which such certificate represents.

37 4. The par value of each share represented by such certificate, or  
38 a statement that the shares are without par value.

39 No certificate shall be issued for any share until such share is fully  
40 paid.

1 SEC. 23. Issuance of fractional shares or scrip. A corporation  
2 may, but shall not be obliged to, issue a certificate for a fractional  
3 share, and, by action of its board of directors, may issue in lieu  
4 thereof scrip in registered or bearer form which shall entitle the  
5 holder to receive a certificate for a full share upon the surrender of  
6 such scrip aggregating a full share. A certificate for a fractional  
7 share shall, but scrip shall not unless otherwise provided therein,  
8 entitle the holder to exercise voting rights, to receive dividends  
9 thereon, and to participate in any of the assets of the corporation in  
10 the event of liquidation. The board of directors may cause such scrip  
11 to be issued subject to the condition that it shall become void if not  
12 exchanged for certificates representing full shares before a specified  
13 date, or subject to the condition that the shares for which such scrip  
14 is exchangeable may be sold by the corporation and the proceeds  
15 thereof distributed to the holders of such scrip, or subject to any  
16 other conditions which the board of directors may deem advisable.

1 SEC. 24. Liability of subscribers and shareholders. A holder of  
2 or subscriber to shares of a corporation shall be under no obligation  
3 to the corporation or its creditors with respect to such shares other  
4 than the obligation to pay to the corporation the full consideration  
5 for which such shares were issued or to be issued.

6 Any person becoming an assignee or transferee of shares or of a  
7 subscription for shares in good faith and without knowledge or notice  
8 that the full consideration therefor has not been paid shall not be  
9 personally liable to the corporation or its creditors for any unpaid  
10 portion of such consideration.

11 An executor, administrator, conservator, guardian, trustee, as-  
12 signee for the benefit of creditors, or receiver shall not be personally  
13 liable to the corporation as a holder of or subscriber to shares of a  
14 corporation but the estate and funds in his hands shall be so liable.

15 No pledgee or other holder of shares as collateral security shall be  
16 personally liable as a shareholder.

1 SEC. 25. Shareholders' pre-emptive rights. The pre-emptive right  
2 of a shareholder to acquire unissued shares of a corporation may be  
3 limited or denied to the extent provided in the articles of incorpora-  
4 tion or any amendment thereto. The shareholders of a corporation  
5 shall possess no pre-emptive right to acquire treasury shares of the

6 corporation except to the extent, if any, that such right is provided  
7 in the articles of incorporation.

1 SEC. 26. Bylaws. The initial bylaws of a corporation shall be  
2 adopted by its board of directors. The power to alter, amend or re-  
3 peal the bylaws or adopt new bylaws shall be vested in the board of  
4 directors unless reserved to the shareholders by the articles of in-  
5 corporation. The bylaws may contain any provisions for the regula-  
6 tion and management of the affairs of the corporation not incon-  
7 sistent with law or the articles of incorporation. If the articles of  
8 incorporation so provide, the bylaws may contain any provisions  
9 restricting the transfer of shares.

1 SEC. 27. Meetings of shareholders. Meetings of shareholders may  
2 be held at such place, either within or without this state, as may be  
3 provided in the articles of incorporation or the bylaws, or as may  
4 be fixed from time to time in accordance with the provisions thereof.  
5 In the absence of any such provision, all meetings shall be held at  
6 the registered office of the corporation.

7 An annual meeting of the shareholders shall be held at such time  
8 as may be provided in the articles of incorporation or the bylaws.  
9 Failure to hold the annual meeting at the designated time shall not  
10 work a forfeiture or dissolution of the corporation.

11 Special meetings of the shareholders may be called by the president,  
12 the board of directors, the holders of not less than one-tenth of all  
13 the shares entitled to vote at the meeting, or such other officers or  
14 persons as may be provided in the articles of incorporation or the  
15 bylaws.

1 SEC. 28. Notice of shareholders' meetings. Written or printed  
2 notice stating the place, day and hour of the meeting and, in case of  
3 a special meeting, the purpose or purposes for which the meeting is  
4 called, shall be delivered not less than ten nor more than fifty days  
5 before the date of the meeting, either personally or by mail, by or at  
6 the direction of the president, the secretary, or the officer or persons  
7 calling the meeting, to each shareholder of record entitled to vote at  
8 such meeting. If mailed, such notice shall be deemed to be delivered  
9 when deposited in the United States mail addressed to the share-  
10 holder at his address as it appears on the stock transfer books of the  
11 corporation, with postage thereon prepaid.

1 SEC. 29. Closing of transfer books and fixing record date. For the  
2 purpose of determining shareholders entitled to notice of or to vote  
3 at any meeting of shareholders or any adjournment thereof, or en-  
4 titled to receive payment of any dividend, or in order to make a deter-  
5 mination of shareholders for any other proper purpose, the board of  
6 directors of a corporation may provide that the stock transfer books  
7 shall be closed for a stated period but not to exceed, in any case, fifty  
8 days. If the stock transfer books shall be closed for the purpose of  
9 determining shareholders entitled to notice of or to vote at a meeting  
10 of shareholders, such books shall be closed for at least ten days im-  
11 mediately preceding such meeting. In lieu of closing the stock trans-  
12 fer books, the bylaws, or in the absence of an applicable bylaw the  
13 board of directors, may fix in advance a date as the record date for  
14 any such determination of shareholders, such date in any case to be

15 not more than fifty days and, in case of a meeting of shareholders,  
16 not less than ten days prior to the date on which the particular  
17 action, requiring such determination of shareholders, is to be taken.  
18 If the stock transfer books are not closed and no record date is fixed  
19 for the determination of shareholders entitled to notice of or to vote  
20 at a meeting of shareholders, or shareholders entitled to receive pay-  
21 ment of a dividend, the date on which notice of the meeting is mailed  
22 or the date on which the resolution of the board of directors declaring  
23 such dividend is adopted, as the case may be, shall be the record date  
24 for such determination of shareholders. When a determination of  
25 shareholders entitled to vote at any meeting of shareholders has been  
26 made as provided in this section, such determination shall apply to  
27 any adjournment thereof.

1 SEC. 30. **Voting list.** The officer or agent having charge of the  
2 stock transfer books for shares of a corporation shall make, at least  
3 ten days before each meeting of shareholders, a complete list of the  
4 shareholders entitled to vote at such meeting or any adjournment  
5 thereof, arranged in alphabetical order, with the address of and the  
6 number of shares held by each, which list, for a period of ten days  
7 prior to such meeting, shall be kept on file at the registered office of  
8 the corporation and shall be subject to inspection by any shareholder  
9 at any time during usual business hours. Such list shall also be pro-  
10 duced and kept open at the time and place of the meeting and shall  
11 be subject to the inspection of any shareholder during the whole time  
12 of the meeting. The original stock transfer books shall be prima facie  
13 evidence as to who are the shareholders entitled to examine such list  
14 or transfer books or to vote at any meeting of shareholders.

15 Failure to comply with the requirements of this section shall not  
16 affect the validity of any action taken at such meeting.

1 SEC. 31. **Quorum of shareholders.** Unless otherwise provided in  
2 the articles of incorporation, a majority of the shares entitled to vote,  
3 represented in person or by proxy, shall constitute a quorum at a  
4 meeting of shareholders. If a quorum is present, the affirmative vote  
5 of the majority of the shares represented at the meeting and entitled  
6 to vote on the subject matter shall be the act of the shareholders,  
7 unless the vote of a greater number or voting by classes is required  
8 by this Act or the articles of incorporation or bylaws.

1 SEC. 32. **Voting of shares.** Each outstanding share, regardless of  
2 class, shall be entitled to one vote on each matter submitted to a vote  
3 at a meeting of shareholders, except to the extent that the voting  
4 rights of the shares of any class or classes are limited or denied by  
5 the articles of incorporation as permitted by this Act.

6 Neither treasury shares nor, unless the articles of incorporation  
7 otherwise provide, shares held by another corporation if a majority  
8 of the shares entitled to vote for the election of directors of such other  
9 corporation is held by the corporation, shall be voted at any meeting  
10 or counted in determining the total number of outstanding shares at  
11 any given time.

12 A shareholder may vote either in person or by proxy executed in  
13 writing by the shareholder or by his duly authorized attorney-in-fact.  
14 No proxy shall be valid after eleven months from the date of its  
15 execution, unless otherwise provided in the proxy.

16 At each election for directors every shareholder entitled to vote at  
17 such election shall have the right to vote, in person or by proxy, the  
18 number of shares owned by him for as many persons as there are  
19 directors to be elected and for whose election he has a right to vote,  
20 or, if the articles of incorporation specifically permit cumulative vot-  
21 ing, to cumulate his votes either by giving one candidate as many  
22 votes as the number of such directors multiplied by the number of his  
23 shares shall equal or by distributing such votes on the same principle  
24 among any number of such candidates.

25 Shares standing in the name of another corporation, domestic or  
26 foreign, may be voted by such officer, agent or proxy as the bylaws of  
27 such corporation may prescribe, or, in the absence of such provision,  
28 as the board of directors of such corporation may determine.

29 Shares held by an administrator, executor, guardian or conservator  
30 may be voted by him, either in person or by proxy, without a transfer  
31 of such shares into his name. Shares standing in the name of a trus-  
32 tee may be voted by him, either in person or by proxy, but no trustee  
33 shall be entitled to vote shares held by him without a transfer of such  
34 shares into his name.

35 Shares standing in the name of a receiver may be voted by such  
36 receiver, and shares held by or under the control of a receiver may  
37 be voted by such receiver without the transfer thereof into his name  
38 if authority so to do be contained in an appropriate order of the court  
39 by which such receiver was appointed.

40 A shareholder whose shares are pledged shall be entitled to vote  
41 such shares until the shares have been transferred into the name of  
42 the pledgee, and thereafter the pledgee shall be entitled to vote the  
43 shares so transferred.

44 On and after the date on which written notice of redemption of  
45 redeemable shares has been mailed to the holders thereof and a sum  
46 sufficient to redeem such shares has been deposited with a bank or  
47 trust company with irrevocable instruction and authority to pay the  
48 redemption price to the holders thereof upon surrender of certificates  
49 therefor, such shares shall not be entitled to vote on any matter and  
50 shall not be deemed to be outstanding shares.

51 Nothing in this Act shall prohibit a corporation in its articles of  
52 incorporation from limiting or denying the right to vote by proxy.

1 SEC. 33. **Voting trust.** Any number of shareholders of a corpora-  
2 tion may create a voting trust for the purpose of conferring upon a  
3 trustee or trustees the right to vote or otherwise represent their  
4 shares, for a period of not to exceed twenty years, by entering into  
5 a written voting trust agreement specifying the terms and conditions  
6 of the voting trust, by depositing a counterpart of the agreement  
7 with the corporation at its registered office, and by transferring their  
8 shares to such trustee or trustees for the purposes of the agreement.  
9 The counterpart of the voting trust agreement so deposited with the  
10 corporation shall be subject to the same right of examination by a  
11 shareholder of the corporation, in person or by agent or attorney, as  
12 are the books and records of the corporation, and shall be subject to  
13 examination by any holder of a beneficial interest in the voting trust,  
14 either in person or by agent or attorney, at any reasonable time for  
15 any proper purpose.

1     **SEC. 34. Board of directors.** The business and affairs of a corpo-  
2     ration shall be managed by a board of directors. Directors need not  
3     be residents of this state or shareholders of the corporation unless  
4     the articles of incorporation so require. The articles of incorporation  
5     may prescribe other qualifications for directors. The board of di-  
6     rectors shall have authority to fix the compensation of directors un-  
7     less otherwise provided in the articles of incorporation.

1     **SEC. 35. Number and election of directors.** The number of direc-  
2     tors shall be fixed by the bylaws, except as to the number constitut-  
3     ing the initial board of directors, which number shall be fixed by the  
4     articles of incorporation. The number of directors may be increased  
5     or decreased from time to time by amendment to the bylaws, but no  
6     decrease shall have the effect of shortening the term of any incum-  
7     bent director. In the absence of a bylaw fixing the number of direc-  
8     tors, the number shall be the same as that stated in the articles of  
9     incorporation. The names and addresses of the members of the first  
10    board of directors shall be stated in the articles of incorporation.  
11    Such persons shall hold office until the first annual meeting of share-  
12    holders, and until their successors shall have been elected and qualify.  
13    At the first annual meeting of shareholders and at each annual meet-  
14    ing thereafter the shareholders shall elect directors to hold office  
15    until the next succeeding annual meeting, except in case of the clas-  
16    sification of directors as permitted by this Act. Each director shall  
17    hold office for the term for which he is elected and until his successor  
18    shall have been elected and qualifies, unless removed in accordance  
19    with provisions of the articles of incorporation.

1     **SEC. 36. Classification of directors.** In lieu of electing the whole  
2     number of directors annually, the articles of incorporation may pro-  
3     vide that the directors be divided into either two or three classes,  
4     each class to be as nearly equal in number as possible, the term of  
5     office of directors of the first class to expire at the first annual meet-  
6     ing of shareholders after their election, that of the second class to  
7     expire at the second annual meeting after their election, and that of  
8     the third class, if any, to expire at the third annual meeting after  
9     their election. At each annual meeting after such classification the  
10    number of directors equal to the number of the class whose term  
11    expires at the time of such meeting shall be elected to hold office until  
12    the second succeeding annual meeting, if there be two classes, or until  
13    the third succeeding annual meeting, if there be three classes. No  
14    classification of directors shall be effective prior to the first annual  
15    meeting of shareholders.

1     **SEC. 37. Vacancies.** Any vacancy occurring in the board of direc-  
2     tors may be filled by the affirmative vote of a majority of the remain-  
3     ing directors though less than a quorum of the board of directors.  
4     A director elected to fill a vacancy shall be elected for the unexpired  
5     term of his predecessor in office. Any directorship to be filled by  
6     reason of an increase in the number of directors shall be filled by  
7     election at an annual meeting or at a special meeting of shareholders  
8     called for that purpose.

1     **SEC. 38. Quorum of directors.** A majority of the number of direc-  
2     tors fixed by the bylaws, or in the absence of a bylaw fixing the num-



ber of directors, then of the number stated in the articles of incorporation, shall constitute a quorum for the transaction of business unless a greater number is required by the articles of incorporation or the bylaws. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by the articles of incorporation or the bylaws.

**SEC. 39. Executive committee.** If the articles of incorporation or the bylaws so provide, the board of directors, by resolution adopted by a majority of the number of directors fixed by the bylaws, or in the absence of a bylaw fixing the number of directors, then of the number stated in the articles of incorporation, may designate two or more directors to constitute an executive committee, which committee, to the extent provided in such resolution or in the articles of incorporation or the bylaws of the corporation shall have and may exercise all of the authority of the board of directors in the management of the corporation; but the designation of such committee and the delegation thereto of authority shall not operate to relieve the board of directors, or any member thereof, of any responsibility imposed upon it or him by law.

**SEC. 40. Place and notice of directors' meetings.** Meetings of the board of directors, regular or special, may be held either within or without this state.

Regular meetings of the board of directors may be held with or without notice as prescribed in the bylaws. Special meetings of the board of directors shall be held upon such notice as is prescribed in the bylaws. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting unless required by the bylaws.

**SEC. 41. Dividends.** The board of directors of a corporation may, from time to time, declare and the corporation may pay dividends on its outstanding shares in cash, property, or in its own shares, out of unreserved surplus, subject to the following provisions:

1. No dividend shall be declared or paid at a time when the corporation is insolvent or its net assets are less than its stated capital, or when the payment thereof would render the corporation insolvent or reduce its net assets below its stated capital, or when the declaration or payment thereof would be contrary to any restrictions contained in its articles of incorporation.

2. If the articles of incorporation of a corporation engaged in the business of exploiting natural resources so provide, dividends may be declared and paid in cash out of the depletion reserves, but each such dividend shall be identified as a distribution of such reserves and the amount per share paid from such reserves shall be disclosed to the shareholders receiving the same concurrently with the distribution thereof.

18 3. No dividend, except a dividend payable in its own shares, shall  
19 be declared or paid out of surplus arising from unrealized appreci-  
20 ation in value, or revaluation, of assets.

1 SEC. 42. **Distributions in partial liquidation.** A corporation, from  
2 time to time, may distribute a portion of its assets, in cash or kind,  
3 to its shareholders as a liquidating dividend, in the following manner  
4 and subject to the following restrictions:

5 1. The board of directors shall adopt a resolution recommending  
6 the payment of a liquidating dividend, specifying the class or classes  
7 of shareholders entitled thereto and the amount thereof, and direct-  
8 ing that the question of such distribution be submitted to a vote at  
9 a meeting of shareholders, which may be either an annual or a special  
10 meeting.

11 2. Written or printed notice stating that the purpose or one of the  
12 purposes of such meeting is to consider the question of such distri-  
13 bution shall be given to each shareholder of record entitled to vote at  
14 such meeting within the time and in the manner provided in this Act  
15 for the giving of notice of meetings of shareholders. If such meeting  
16 be an annual meeting, such purpose shall be included in the notice of  
17 such meeting.

18 3. At such meeting a vote of the shareholders entitled to vote  
19 thereat shall be taken by classes on the question of the proposed dis-  
20 tribution. The affirmative vote of the holders of at least two-thirds  
21 of the outstanding shares of each class shall be required for the  
22 authorization of such distribution.

23 4. No such distribution shall be made at a time when the corpora-  
24 tion is insolvent or when such distribution would render the corpora-  
25 tion insolvent.

26 5. No such distribution shall be made to any class of shareholders  
27 unless all cumulative dividends accrued on preferred or special  
28 classes of shares entitled to preferential dividends shall have been  
29 fully paid.

30 6. No such distribution shall be made to any class of shareholders  
31 which will reduce the remaining net assets below the aggregate  
32 preferential amount payable in event of voluntary liquidation to the  
33 holders of shares having preferential rights to the assets of the cor-  
34 poration in the event of liquidation.

35 7. Each such distribution, when made, shall be identified as a  
36 liquidating dividend and the amount per share shall be disclosed to  
37 the shareholders receiving the same, concurrently with the payment  
38 thereof.

1 SEC. 43. **Provisions relating to actions by shareholders.** No action  
2 shall be brought in this state by a shareholder in the right of a do-  
3 mestic or foreign corporation unless the plaintiff was a holder of  
4 shares or of voting trust certificates therefor at the time of the trans-  
5 action of which he complains, or his shares or voting trust certificates  
6 thereafter devolved upon him by operation of law from a person who  
7 was a holder at such time.

1 SEC. 44. **Liability of directors and officers in certain cases.** In  
2 addition to any other liabilities imposed by law upon directors and  
3 officers of a corporation:

4 1. Directors of a corporation who vote for or assent to the declara-  
5 tion of any dividend or other distribution of the assets of a corpora-  
6 tion to its shareholders in willful or negligent violation of the provi-  
7 sions of this Act or of any restrictions contained in the articles of  
8 incorporation, shall be jointly and severally liable to the corporation  
9 for the amount of such dividend which is paid or the value of such  
10 assets which are distributed in excess of the amount of such dividend  
11 or distribution which could have been paid or distributed without a  
12 violation of the provisions of this Act or of the restrictions in the  
13 articles of incorporation.

14 2. Directors of a corporation who vote for or assent to the pur-  
15 chase of its own shares in willful or negligent violation of the provi-  
16 sions of this Act or of any restrictions contained in the articles of  
17 incorporation, shall be jointly and severally liable to the corporation  
18 for the amount of consideration paid for such shares which is in  
19 excess of the maximum amount which could have been paid therefor  
20 without a violation of the provisions of this Act or of the restrictions  
21 in the articles of incorporation.

22 3. The directors of a corporation who vote for or assent to any  
23 distribution of assets of a corporation to its shareholders during the  
24 liquidation of the corporation without the payment and discharge of,  
25 or making adequate provision for, all known debts, obligations, and  
26 liabilities of the corporation shall be jointly and severally liable to  
27 the corporation for the value of such assets which are distributed,  
28 to the extent that such debts, obligations and liabilities of the cor-  
29 poration are not thereafter paid and discharged.

30 A director of a corporation who is present at a meeting of its board  
31 of directors at which action on any corporate matter is taken shall be  
32 presumed to have assented to the action taken unless his dissent shall  
33 be entered in the minutes of the meeting or unless he shall file his  
34 written dissent to such action with the person acting as the secretary  
35 of the meeting before the adjournment thereof or shall forward such  
36 dissent by registered or certified mail to the secretary of the corpo-  
37 ration immediately after the adjournment of the meeting. Such right  
38 to dissent shall not apply to a director who voted in favor of such  
39 action.

40 A director shall not be liable under subsections 1, 2, or 3 of this  
41 section if he relied and acted in good faith upon financial statements  
42 of the corporation, represented to him to be correct by the president  
43 or the officer of such corporation having charge of its books of ac-  
44 count, or stated in a written report by an independent public or  
45 certified public accountant or firm of such accountants fairly to  
46 reflect the financial condition of such corporation, nor shall he be so  
47 liable if in good faith in determining the amount available for any  
48 such dividend or distribution he considered the assets to be of their  
49 book value. If an officer willfully or negligently submits an incorrect  
50 financial statement to a director or directors, and board of directors  
51 action, contrary to the provisions of this Act or of any restrictions  
52 in the articles of incorporation, is taken in reliance thereon, he shall  
53 be liable to the same extent as if he were a director voting for or  
54 assenting to such action. No director or officer shall be deemed to be  
55 negligent within the meaning of this section if he exercised that

56 diligence, care and skill which an ordinarily prudent man would  
57 exercise under similar circumstances.

58 Any director against whom a claim shall be asserted under or pur-  
59 suant to this section for the payment of a dividend or other distribu-  
60 tion of assets of a corporation and who shall be held liable thereon,  
61 shall be entitled to contribution from the shareholders who accepted  
62 or received any such dividend or assets, knowing such dividend or  
63 distribution to have been made in violation of the provisions of this  
64 Act or of any restrictions in the articles of incorporation, in propor-  
65 tion to the amounts received by them respectively, and to contribu-  
66 tion from any other director found to be similarly liable.

67 Any action seeking to impose liability under this section, other  
68 than liability for contribution, shall be commenced only within five  
69 years of the action complained of and not thereafter.

1 SEC. 45. **Officers.** The officers of a corporation shall consist of a  
2 president, one or more vice-presidents as may be prescribed by the  
3 bylaws, a secretary and a treasurer, each of whom shall be elected  
4 by the board of directors at such time and in such manner as may be  
5 prescribed by the bylaws. Such other officers and assistant officers  
6 and agents as may be deemed necessary may be elected or appointed  
7 by the board of directors or chosen in such other manner as may be  
8 prescribed by the bylaws. Any two or more offices may be held by  
9 the same person.

10 All officers and agents of the corporation, as between themselves  
11 and the corporation, shall have such authority and perform such  
12 duties in the management of the corporation as may be provided in  
13 the bylaws, or as may be determined by resolution of the board of  
14 directors not inconsistent with the bylaws.

1 SEC. 46. **Removal of officers.** Any officer or agent may be re-  
2 moved by the board of directors whenever in its judgment the best  
3 interests of the corporation will be served thereby, but such removal  
4 shall be without prejudice to the contract rights, if any, of the per-  
5 son so removed. Election or appointment of an officer or agent shall  
6 not of itself create contract rights.

1 SEC. 47. **Books and records.** Each corporation shall keep correct  
2 and complete books and records of account and shall keep minutes of  
3 the proceedings of its shareholders and board of directors; and shall  
4 keep at its registered office or principal place of business, a record of  
5 its shareholders, giving the names and addresses of all shareholders  
6 and the number and class of the shares held by each. The office of  
7 any transfer agent or registrar may be maintained within or with-  
8 out the state of Iowa.

9 Any person who shall have been a shareholder of record for at  
10 least six months immediately preceding his demand or who shall be  
11 the holder of record of at least five per cent of all the outstanding  
12 shares of a corporation, upon written demand stating the purpose  
13 thereof, shall have the right to examine, in person, or by agent or  
14 attorney, at any reasonable time or times, for any proper purpose, its  
15 books and records of account, minutes and record of shareholders and  
16 to make extracts therefrom.

17 Any officer or agent who, or a corporation which, shall refuse to  
18 allow any such shareholder, or his agent or attorney, so to examine

19 and make extracts from its books and records of account, minutes  
20 and record of shareholders for any proper purpose, shall be liable to  
21 such shareholder in a penalty of ten per cent of the value of the  
22 shares owned by such shareholder, but not to exceed five hundred dol-  
23 lars, in addition to any other damages or remedy afforded him by  
24 law, but the court may decrease the amount of such penalty on a  
25 finding of mitigating circumstances. It shall be a defense to any  
26 action for penalties under this section that the person suing there-  
27 for has within two years sold or offered for sale any list of share-  
28 holders of such corporation or any other corporation or has aided  
29 or abetted any person in procuring any list of shareholders for any  
30 such purpose, or has improperly used any information secured  
31 through any prior examination of the books and records of account,  
32 or minutes, or record of shareholders of such corporation or any  
33 other corporation, or was not acting in good faith or for a proper  
34 purpose in making his demand.

35 Nothing herein contained shall impair the power of any court of  
36 competent jurisdiction, upon proof by a shareholder of proper pur-  
37 pose irrespective of the period of time during which such share-  
38 holder shall have been a shareholder of record, and irrespective of  
39 the number of shares held by him, to compel the production for ex-  
40 amination by such shareholder of the books and records of account,  
41 minutes, and record of shareholders of a corporation.

42 Upon the written request of any shareholder of a corporation, the  
43 corporation shall mail to such shareholder its most recent financial  
44 statements showing in reasonable detail its assets and liabilities and  
45 the results of its operation.

1 SEC. 48. **Who may incorporate.** One or more persons as defined  
2 in this Act having capacity to contract, may act as incorporators of  
3 a corporation by signing, acknowledging and delivering to the secre-  
4 tary of state articles of incorporation for such corporation.

1 SEC. 49. **Articles of incorporation.** The articles of incorporation  
2 shall set forth:

3 1. The name of the corporation and the chapter of the Code or Ses-  
4 sion Laws under which incorporated.

5 2. The period of duration if for a limited period, but in the absence  
6 of any statement in the articles all corporations organized hereunder  
7 shall have perpetual duration.

8 3. Either (a) the purpose or purposes for which the corporation  
9 is organized, or (b) that the corporation shall have unlimited power  
10 to engage in, and to do any lawful act concerning, any or all lawful  
11 businesses for which corporations may be organized under this Act.

12 4. The aggregate number of shares which the corporation shall  
13 have authority to issue; if such shares are to consist of one class  
14 only, the par value of each of such shares, or a statement that all of  
15 such shares are without par value; or, if such shares are to be di-  
16 vided into classes, the number of shares of each class, and a state-  
17 ment of the par value of the shares of each such class or that such  
18 shares are to be without par value.

19 5. If the shares are to be divided into classes, the designation of  
20 each class and a statement of the preferences, voting rights, if any,  
21 limitations and relative rights in respect of the shares of each class.

22 6. If the corporation is to issue the shares of any preferred or  
23 special class in series, then the designation of each series and a state-  
24 ment of the variations in the relative rights and preferences as be-  
25 tween series in so far as the same are to be fixed in the articles of  
26 incorporation, and a statement of any authority to be vested in the  
27 board of directors to establish series and fix and determine the vari-  
28 ations in the relative rights and preferences as between series.

29 7. Any provision limiting or denying to shareholders the pre-  
30 emptive right to acquire additional shares of the corporation and  
31 any provision giving to shareholders the pre-emptive right to ac-  
32 quire treasury shares of the corporation.

33 8. Any provision, not inconsistent with law, which the incorpora-  
34 tors elect to set forth in the articles of incorporation for the regula-  
35 tion of the internal affairs of the corporation, including any provision  
36 restricting the transfer of shares and any provision which under this  
37 Act is required or permitted to be set forth in the bylaws.

38 9. The address of its initial registered office including street and  
39 number, if any, the name of the county in which the registered office  
40 is located, and the name of its initial registered agent or agents at  
41 such address.

42 10. The number of directors constituting the initial board of di-  
43 rectors and the names and addresses of the persons who are to serve  
44 as directors until the first annual meeting of shareholders or until  
45 their successors be elected and qualify.

46 11. The name and address of each incorporator.

47 12. The date on which the corporate existence shall begin, which  
48 may be any date identified by year, month and day not more than  
49 ninety days in the future. In the absence of any statement in the  
50 articles as to date of beginning of corporate existence, such existence  
51 shall commence on the date on which the secretary of state issues the  
52 certificate of incorporation.

53 13. Any provision not inconsistent with law or the purposes for  
54 which the corporation is organized, which the incorporators elect to  
55 set forth; or any provision limiting any of the corporate powers  
56 enumerated in this Act.

57 It shall not be necessary to set forth in the articles of incorpora-  
58 tion any of the corporate powers enumerated in this Act.

1 SEC. 50. Filing and recording of articles of incorporation. The  
2 articles of incorporation shall be delivered to the secretary of state  
3 for filing and recording in his office, and the same shall be filed and  
4 recorded in the office of the county recorder. The secretary of state  
5 upon the filing of such articles shall issue a certificate of incorpora-  
6 tion and send the same to the corporation or its representative.

1 SEC. 51. Effect of issuance of certificate of incorporation. Upon  
2 the issuance of the certificate of incorporation, the corporate exist-  
3 ence shall begin unless the certificate in conformity with a provision  
4 in the articles provides that it shall begin on a stated day in the  
5 future in which event the corporate existence shall without further  
6 action by either the incorporators or the secretary of state begin on  
7 the day so stated. Such certificate of incorporation shall be conclu-  
8 sive evidence that all conditions precedent required to be performed  
9 by the incorporators have been complied with and that the corpora-

tion has been incorporated under this Act except as against this state in a proceeding to cancel or revoke the certificate of incorporation or for involuntary dissolution of the corporation.

**SEC. 52. Notice of Incorporation.** A corporation shall cause to be published within three (3) months from the date its corporate existence begins, one publication in some newspaper published within the county wherein the registered office of the corporation is located, a notice of incorporation which shall state:

1. The name of the corporation and the chapter of the Code or session laws under which incorporated;

2. The date of the beginning of its corporate existence and the period of its duration;

3. The purpose or purposes for which it is organized as stated in its articles of incorporation;

4. The aggregate number of shares which it shall have authority to issue, the classes, if any, thereof, and the par value, if any, thereof;

5. The address of its registered office, the name of the county in which the registered office is located and the name of its registered agent or agents at such address; and

6. The names and addresses of its directors as designated in its articles of incorporation.

Proof of such publication, by affidavit of the publisher of the newspaper in which it is made, shall be filed with the secretary of state, and shall be conclusive evidence of the fact. If the notice of incorporation is not published within the time herein prescribed, but is subsequently published for the required time, and proof of the publication thereof is filed with the secretary of state, the acts of such corporation prior to as well as after such publication shall be valid.

**SEC. 53. Procedure for filing and recording of documents.** If in this Act, it is required that any document be:

1. Filed in the office of the secretary of state, the secretary of state, when he finds that such document conforms to law and when all fees and taxes due him have been paid as in this Act prescribed, shall endorse on such document, the word "Filed", and the month, day and year of the filing thereof and file the same in his office;

2. Recorded in the office of the secretary of state, the secretary of state, upon filing thereof, shall record the same;

3. Filed and recorded in the office of the county recorder, the secretary of state upon recording such document in his office shall forward the same to the county recorder of the county wherein the registered office of the corporation is located, and shall forward a duplicate executed copy certified by him as a true copy of the filed original to such other county recorder, if any, as is required by this Act. Upon receipt thereof and upon receipt of recording fees due him, such county recorder shall record and index such instrument and endorse thereon the date of filing in such county and the book and page in which recorded. The recorder of each county shall keep in his office an alphabetically subdivided index book for articles of incorporation and other instruments the recording of which in his office is provided for by this Act, which book shall have as a minimum, columns headed with "Name of Corporation", "Place of Registered

24 Office", "Day, Month and Year of Filing" and the reference to the  
25 book and page or other record where recorded and shall make ap-  
26 propriate entries in said index for each such instrument recorded by  
27 him.

28 Any instrument required to be filed and recorded in the office of  
29 the secretary of state only, shall be returned by him to the corpora-  
30 tion or its representative. Any instrument required to be filed and  
31 recorded in the office of the county recorder shall be returned by him  
32 to the corporation or its representative.

1 SEC. 54. **Organization meeting of directors.** After the issuance  
2 of the certificate of incorporation an organization meeting of the  
3 board of directors named in the articles of incorporation may be held,  
4 either within or without this state, at the call of a majority of the  
5 incorporators, for the purpose of adopting bylaws, electing officers,  
6 if necessary, and the transaction of such other business as may come  
7 before the meeting. The incorporators calling the meeting shall give  
8 at least three days' notice thereof by mail to each director so named,  
9 which notice shall state the time and place of the meeting.

1 SEC. 55. **Right to amend articles of incorporation.** A corporation  
2 may amend its articles of incorporation, from time to time, in any  
3 and as many respects as may be desired, so long as its articles of  
4 incorporation as amended contain only such provisions as might be  
5 lawfully contained in original articles of incorporation at the time  
6 of making such amendment, and, if a change in shares or the rights  
7 of shareholders, or an exchange, reclassification or cancellation of  
8 shares or rights of shareholders is to be made, such provisions as  
9 may be necessary to effect such change, exchange, reclassification or  
10 cancellation.

11 In particular, and without limitation upon such general power of  
12 amendment, a corporation may amend its articles of incorporation,  
13 from time to time, so as:

14 1. To change its corporate name.

15 2. To change its period of duration.

16 3. To change, enlarge or diminish its corporate purposes.

17 4. To increase or decrease the aggregate number of shares, or  
18 shares of any class, which the corporation has authority to issue.

19 5. To increase or decrease the par value of the authorized shares  
20 of any class having a par value, whether issued or unissued.

21 6. To exchange, classify, reclassify or cancel all or any part of its  
22 shares, whether issued or unissued.

23 7. To change the designation of all or any part of its shares,  
24 whether issued or unissued, and to change the preferences, limita-  
25 tions, and the relative rights in respect of all or any part of its  
26 shares, whether issued or unissued.

27 8. To change shares having a par value, whether issued or unis-  
28 sued, into the same or a different number of shares without par  
29 value, and to change shares without par value, whether issued or  
30 unissued, into the same or a different number of shares having a par  
31 value.

32 9. To change the shares of any class, whether issued or unissued,  
33 and whether with or without par value, into a different number of



34 shares of the same class or into the same or a different number of  
35 shares, either with or without par value, of other classes.

36 10. To create new classes of shares having rights and preferences  
37 either prior and superior or subordinate and inferior to the shares  
38 of any class then authorized, whether issued or unissued.

39 11. To cancel or otherwise affect the right of the holders of the  
40 shares of any class to receive dividends which have accrued but have  
41 not been declared.

42 12. To divide any preferred or special class of shares, whether is-  
43 sued or unissued, into series and fix and determine the designations  
44 of such series and the variations in the relative rights and prefer-  
45 ences as between the shares of such series.

46 13. To authorize the board of directors to establish, out of author-  
47 ized but unissued shares, series of any preferred or special class of  
48 shares and fix and determine the relative rights and preferences of  
49 the shares of any series so established.

50 14. To authorize the board of directors to fix and determine the  
51 relative rights and preferences of the authorized but unissued shares  
52 of series theretofore established in respect of which either the rela-  
53 tive rights and preferences have not been fixed and determined or the  
54 relative rights and preferences theretofore fixed and determined are  
55 to be changed.

56 15. To revoke, diminish, or enlarge the authority of the board of  
57 directors to establish series out of authorized but unissued shares of  
58 any preferred or special class and fix and determine the relative  
59 rights and preferences of the shares of any series so established.

60 16. To limit, deny or grant to shareholders of any class the pre-  
61 emptive right to acquire additional shares or treasury shares of the  
62 corporation, or obligations of the corporation convertible into such  
63 shares, whether then or thereafter authorized.

1 SEC. 56. Procedure to amend articles of incorporation. Amend-  
2 ments to the articles of incorporation shall be made in the following  
3 manner:

4 1. The board of directors shall adopt a resolution setting forth the  
5 proposed amendment and directing that it be submitted to a vote  
6 at a meeting of shareholders, which may be either an annual or  
7 a special meeting. Unless otherwise provided in the articles of in-  
8 corporation, upon the written request of the holders of at least five  
9 per cent of the shares entitled to vote on amendments to articles of  
10 incorporation, the board of directors shall adopt a resolution setting  
11 forth the amendment proposed by such shareholders and directing  
12 that it be submitted to the next meeting of the shareholders held not  
13 less than ninety days after the date of the filing of the request of the  
14 shareholders with the secretary of the corporation.

15 2. Written or printed notice setting forth the proposed amend-  
16 ment or a summary of the changes to be effected thereby shall be  
17 given to each shareholder of record entitled to vote thereon within  
18 the time and in the manner provided in this Act for the giving of  
19 notice of meetings of shareholders. If the meeting be an annual  
20 meeting, the proposed amendment or such summary may be included  
21 in the notice of such annual meeting.

22 3. At such meeting a vote of the shareholders entitled to vote  
23 thereon shall be taken on the proposed amendment or, to the extent

24 permitted by the articles of incorporation, any modification or revision thereof which shall be proposed at the meeting, and shall be  
25 adopted upon receiving the affirmative vote of the holders of a  
26 majority of the shares entitled to vote thereon, unless any class of  
27 shares is entitled to vote thereon as a class, in which event it shall be  
28 adopted upon receiving the affirmative vote of the holders of a majority of the shares of each class of shares entitled to vote thereon as  
29 a class and of the total shares entitled to vote thereon.

30 Any number of amendments may be submitted to the shareholders,  
31 and voted upon by them at one meeting.

1 SEC. 57. **Class voting on amendments.** The holders of the outstanding shares of a class shall be entitled to vote as a class upon a  
2 proposed amendment, whether or not entitled to vote thereon by the  
3 provisions of the articles of incorporation, if the amendment would:

4 1. Increase or decrease the aggregate number of authorized shares  
5 of such class.

6 2. Increase or decrease the par value of the shares of such class.

7 3. Effect an exchange, reclassification, or cancellation of all or  
8 part of the shares of such class.

9 4. Effect an exchange, or create a right of exchange, of all or any  
10 part of the shares of another class into the shares of such class.

11 5. Change the designations, preferences, limitations or relative  
12 rights of the shares of such class.

13 6. Change the shares of such class, whether with or without par  
14 value, into the same or a different number of shares, either with or  
15 without par value, of the same class or another class or classes.

16 7. Create a new class of shares having rights and preferences  
17 prior and superior to the shares of such class, or increase the rights  
18 and preferences of any class having rights and preferences prior or  
19 superior to the shares of such class.

20 8. In the case of a preferred or special class of shares, divide the  
21 unissued shares of such class into series and fix and determine the  
22 designation of such series and the variations in the relative rights  
23 and preferences between the shares of such series, or authorize the  
24 board of directors to do so.

25 9. Limit or deny the existing pre-emptive rights, if any, of the  
26 shares of such class.

27 10. Cancel or otherwise affect dividends on the shares of such  
28 class which have accrued but have not been declared.

1 SEC. 58. **Articles of amendment.** The articles of amendment shall  
2 be executed by the corporation by its president or a vice-president  
3 and by its secretary or an assistant secretary, and acknowledged by  
4 one of the officers signing such articles, and shall set forth:

5 1. The name of the corporation and the effective date of its incorporation; and its original name if different from the present name.

6 2. The amendment so adopted.

7 3. The date of the adoption of the amendment by the shareholders.

8 4. The number of shares outstanding, and the number of shares  
9 entitled to vote thereon, and if the shares of any class are entitled  
10 to vote thereon as a class, the designation and number of outstanding  
11 shares entitled to vote thereon of each such class.

14 5. The number of shares voted for and against such amendment,  
15 respectively, and, if the shares of any class are entitled to vote  
16 thereon as a class, the number of shares of each such class voted for  
17 and against such amendment, respectively.

18 6. If such amendment provides for an exchange, reclassification  
19 or cancellation of issued shares, and if the manner in which the same  
20 shall be effected is not set forth in the amendment, then a state-  
21 ment of the manner in which the same shall be effected.

22 7. If such amendment effects a change in the amount of stated  
23 capital, then a statement of the manner in which the same is effected  
24 and a statement, expressed in dollars, of the amount of stated capital  
25 as changed by such amendment.

1 SEC. 59. **Filing of articles of amendment.** The articles of amend-  
2 ment shall be delivered to the secretary of state for filing and re-  
3 cording in his office, and the same shall be filed and recorded in the  
4 office of the county recorder. The secretary of state upon the filing  
5 of the articles of amendment shall issue a certificate of amendment  
6 and send the same to the corporation or its representative.

1 SEC. 60. **Effect of certificate of amendment.** Upon the issuance  
2 of the certificate of amendment by the secretary of state, the amend-  
3 ment shall become effective and the articles of incorporation shall be  
4 deemed to be amended accordingly.

5 No amendment shall affect the existing rights of persons other  
6 than shareholders, or any existing cause of action in favor of or  
7 against such corporation, or any pending suit to which such corpo-  
8 ration shall be a party; and, in the event the corporate name shall  
9 be changed by amendment, no suit brought by or against such cor-  
10 poration under its former name shall abate for that reason.

1 SEC. 61. **Restated articles of incorporation.** A domestic corpora-  
2 tion may at any time restate its articles of incorporation, as thereto-  
3 fore amended or as to be amended by such restatement, in the follow-  
4 ing manner:

5 1. The board of directors shall adopt a resolution setting forth the  
6 proposed restated articles of incorporation, which may include an  
7 amendment or amendments to be made concurrently with such pro-  
8 posed restatement, and directing that such restated articles be sub-  
9 mitted to a vote at a meeting of shareholders, which may be either  
10 an annual or a special meeting.

11 2. Written or printed notice setting forth the proposed restated  
12 articles or a summary of the provisions thereof shall be given to each  
13 shareholder of record entitled to vote thereon within the time and in  
14 the manner provided in this Act for the giving of notice of meetings  
15 of shareholders. If the meeting be an annual meeting, the proposed  
16 restated articles, or a summary of the provisions thereof, may be in-  
17 cluded in the notice of such annual meeting. If the restated articles  
18 include a concurrent amendment or amendments to the articles of  
19 incorporation the notice shall indicate the respects in which the  
20 articles of incorporation are proposed to be amended.

21 3. At such meeting a vote of the shareholders entitled to vote  
22 thereon shall be taken on the proposed restated articles. The pro-  
23 posed restated articles shall be adopted upon receiving the affirma-

tive vote of the holders of at least a majority of the shares entitled to vote thereon. However, if such restated articles include any concurrent amendment and if by reason of such concurrent amendment any class of shares would be entitled to vote on such amendment as a class, then the proposed restated articles shall not be adopted unless the affirmative vote of the holders of a majority of the shares of each class of shares entitled to vote thereon as a class, and of the total shares entitled to vote thereon, is voted in favor thereof.

Upon such approval, restated articles of incorporation shall be executed by the corporation by its president or vice-president and by its secretary or assistant secretary, and acknowledged by one of the officers signing such articles, and shall set forth:

4. Those things required by this Act to be set forth in its articles of incorporation and if such restated articles contain a concurrent amendment, those additional things required by this Act to be set forth in articles of amendment.

5. A statement that the restated articles of incorporation correctly set forth the corresponding provisions of the articles of incorporation as theretofore or thereby amended, and that the restated articles of incorporation supersede the original articles of incorporation and all amendments thereto.

The restated articles of incorporation shall be delivered to the secretary of state for filing and recording in his office and the same shall be filed and recorded in the office of the county recorder.

The secretary of state upon filing the restated articles of incorporation shall issue a restated certificate of incorporation and send the same to the corporation or its representative.

Upon the issuance of the restated certificate of incorporation by the secretary of state, the restated articles of incorporation shall become effective and shall supersede the original articles of incorporation and all amendments thereto.

**SEC. 62. Amendment of articles of incorporation in reorganization proceedings.** Whenever a plan of reorganization of a corporation has been confirmed by decree or order of a court of competent jurisdiction in proceedings for the reorganization of such corporation, pursuant to the provisions of any applicable statute of the United States relating to reorganizations of corporations, the articles of incorporation of the corporation may be amended, in the manner provided in this section, in as many respects as may be necessary to carry out the plan and put it into effect, so long as the articles of incorporation as amended contain only such provisions as might be lawfully contained in original articles of incorporation at the time of making such amendment.

In particular and without limitation upon such general power of amendment, the articles of incorporation may be amended for such purpose so as to:

1. Change the corporate name, period of duration or corporate purposes of the corporation;

2. Repeal, alter or amend the bylaws of the corporation;

3. Change the aggregate number of shares, or shares of any class, which the corporation has authority to issue;

4. Change the preferences, limitations and relative rights in respect of all or any part of the shares of the corporation, and classify,

23 reclassify or cancel all or any part thereof, whether issued or un-  
24 issued;

25 5. Authorize the issuance of bonds, debentures or other obliga-  
26 tions of the corporation, whether or not convertible into shares of  
27 any class or bearing warrants or other evidences of optional rights  
28 to purchase or subscribe for shares of any class, and fix the terms  
29 and conditions thereof; and

30 6. Constitute or reconstitute and classify or reclassify the board  
31 of directors of the corporation, and appoint directors and officers in  
32 place of or in addition to all or any of the directors or officers then  
33 in office.

34 Amendments to the articles of incorporation pursuant to this sec-  
35 tion shall be made in the following manner:

36 7. Articles of amendment approved by decree or order of such  
37 court shall be executed and verified in duplicate by such person or  
38 persons as the court shall designate or appoint for the purpose, and  
39 shall set forth the name of the corporation, the amendments of the  
40 articles of incorporation approved by the court, the date of the de-  
41 cree or order approving the articles of amendment, the title of the  
42 proceedings in which the decree or order was entered, and a state-  
43 ment that such decree or order was entered by a court having juris-  
44 diction of the proceedings for the reorganization of the corporation  
45 pursuant to the provisions of an applicable statute of the United  
46 States.

47 8. The articles of amendment shall be delivered to the secretary of  
48 state for filing and recording in his office, and the same shall be filed  
49 and recorded in the office of the county recorder. The secretary of  
50 state upon the filing of the articles of amendment shall issue a cer-  
51 tificate of amendment and send the same to the corporation or its  
52 representative.

53 Upon the issuance of the certificate of amendment by the secretary  
54 of state, the amendment shall become effective and the articles of  
55 incorporation shall be deemed to be amended accordingly, without  
56 any action thereon by the directors or shareholders of the corpora-  
57 tion and with the same effect as if the amendments had been adopted  
58 by unanimous action of the directors and shareholders of the cor-  
59 poration.

1 **SEC. 63. Restriction on redemption or purchase of redeemable**  
2 **shares.** No redemption or purchase of redeemable shares shall be  
3 made by a corporation when it is insolvent or when such redemption  
4 or purchase would render it insolvent, or which would reduce the net  
5 assets below the aggregate amount payable to the holders of shares  
6 having prior or equal rights to the assets of the corporation upon  
7 involuntary dissolution.

1 **SEC. 64. Cancellation of redeemable shares by redemption.** When  
2 redeemable shares of a corporation are redeemed by the corporation,  
3 the redemption shall effect a cancellation of such shares, and a state-  
4 ment of cancellation shall be filed as provided in this section. There-  
5 upon such shares shall be restored to the status of authorized but  
6 unissued shares, unless the articles of incorporation provide that  
7 such shares when redeemed shall not be reissued, in which case the  
8 filing of the statement of cancellation shall constitute an amendment

9 to the articles of incorporation and shall reduce the number of shares  
10 of the class so canceled which the corporation is authorized to issue  
11 by the number of shares so canceled.

12 The statement of cancellation shall be executed by the corporation  
13 by its president or a vice-president and by its secretary or an as-  
14 sistant secretary, and acknowledged by one of the officers signing  
15 such statement, and shall set forth:

16 1. The name of the corporation and the effective date of its incor-  
17 poration; and its original name if different from the present name.

18 2. The number of redeemable shares canceled through redemption,  
19 itemized by classes and series.

20 3. The aggregate number of issued shares, itemized by classes and  
21 series, after giving effect to such cancellation.

22 4. The amount, expressed in dollars, of the stated capital of the  
23 corporation after giving effect to such cancellation.

24 5. If the articles of incorporation provide that the canceled shares  
25 shall not be reissued, then the number of shares which the corpora-  
26 tion has authority to issue, itemized by classes and series, after giv-  
27 ing effect to such cancellation.

28 Such statement shall be delivered to the secretary of state for fil-  
29 ing and recording in his office, and if the same effects a reduction in  
30 its authorized shares the same shall be filed and recorded in the office  
31 of the county recorder.

32 Upon the filing of such statement of cancellation, the stated capital  
33 of the corporation shall be deemed to be reduced by that part of the  
34 stated capital which was, at the time of such cancellation, represented  
35 by the shares so canceled.

36 Nothing contained in this section shall be construed to forbid a  
37 cancellation of shares or a reduction of stated capital in any other  
38 manner permitted by this Act.

1 **SEC. 65. Cancellation of other reacquired shares.** A corporation  
2 may at any time, by resolution of its board of directors, cancel all or  
3 any part of the shares of the corporation of any class reacquired by  
4 it, other than redeemable shares redeemed, and in such event a state-  
5 ment of cancellation shall be filed as provided in this section.

6 The statement of cancellation shall be executed by the corporation  
7 by its president or a vice-president and by its secretary or an as-  
8 sistant secretary, and acknowledged by one of the officers signing  
9 such statement, and shall set forth:

10 1. The name of the corporation and the effective date of its incor-  
11 poration; and its original name if different from the present name.

12 2. The number of reacquired shares canceled by resolution duly  
13 adopted by the board of directors, itemized by classes and series, and  
14 the date of its adoption.

15 3. The aggregate number of issued shares, itemized by classes and  
16 series, after giving effect to such cancellation.

17 4. The amount, expressed in dollars, of the stated capital of the  
18 corporation after giving effect to such cancellation.

19 Such statement shall be delivered to the secretary of state for fil-  
20 ing and recording in his office.

21 Upon the filing of such statement of cancellation, the stated capital  
22 of the corporation shall be deemed to be reduced by that part of the

23 stated capital which was, at the time of such cancellation, repre-  
24 sented by the shares so canceled, and the shares so canceled shall be  
25 restored to the status of authorized but unissued shares.

26 Nothing contained in this section shall be construed to forbid a  
27 cancellation of shares or a reduction of stated capital in any other  
28 manner permitted by this Act.

1 SEC. 66. **Reduction of stated capital in certain cases.** A reduction  
2 of the stated capital of a corporation, where such reduction is not  
3 accompanied by any action requiring an amendment of the articles  
4 of incorporation and not accompanied by a cancellation of shares,  
5 may be made in the following manner:

6 1. The board of directors shall adopt a resolution setting forth the  
7 amount of the proposed reduction and the manner in which the re-  
8 duction shall be effected, and directing that the question of such re-  
9 duction be submitted to a vote at a meeting of shareholders, which  
10 may be either an annual or a special meeting.

11 2. Written or printed notice, stating that the purpose or one of the  
12 purposes of such meeting is to consider the question of reducing the  
13 stated capital of the corporation in the amount and manner proposed  
14 by the board of directors, shall be given to each shareholder of record  
15 entitled to vote thereon within the time and in the manner provided  
16 in this Act for the giving of notice of meetings of shareholders.

17 3. At such meeting a vote of the shareholders entitled to vote  
18 thereon shall be taken on the question of approving the proposed  
19 reduction of stated capital, which shall require for its adoption the  
20 affirmative vote of the holders of at least a majority of the shares  
21 entitled to vote thereon.

22 When a reduction of the stated capital of a corporation has been  
23 approved as provided in this section, a statement shall be executed  
24 by the corporation by its president or a vice-president and by its  
25 secretary or an assistant secretary, and acknowledged by one of the  
26 officers signing such statement, and shall set forth:

27 4. The name of the corporation.

28 5. A copy of the resolution of the shareholders approving such  
29 reduction, and the date of its adoption.

30 6. The number of shares outstanding, and the number of shares  
31 entitled to vote.

32 7. The number of shares voted for and against such reduction,  
33 respectively.

34 8. A statement of the manner in which such reduction is effected,  
35 and a statement, expressed in dollars, of the amount of stated cap-  
36 ital of the corporation after giving effect to such reduction.

37 Such statement shall be delivered to the secretary of state for fil-  
38 ing and recording in his office.

39 Upon the filing of such statement, the stated capital of the corpo-  
40 ration shall be reduced as therein set forth.

41 No reduction of stated capital shall be made under the provisions  
42 of this section which would reduce the amount of the aggregate  
43 stated capital of the corporation to an amount equal to or less than  
44 the aggregate preferential amounts payable upon all issued shares  
45 having a preferential right in the assets of the corporation in the  
46 event of involuntary liquidation, plus the aggregate par value of all

47 issued shares having a par value but no preferential right in the  
48 assets of the corporation in the event of involuntary liquidation.

1     **SEC. 67. Special provisions relating to surplus and reserves.** A  
2 corporation may, by resolution of its board of directors, create a  
3 reserve or reserves out of its surplus for any proper purpose or pur-  
4 poses, and may abolish any such reserve in the same manner. Sur-  
5 plus of the corporation to the extent so reserved shall not be available  
6 for the payment of dividends or other distributions by the corpora-  
7 tion except as expressly permitted by this Act.

1     **SEC. 68. Procedure for merger.** Any two or more domestic cor-  
2 porations may merge into one of such corporations pursuant to a  
3 plan of merger approved in the manner provided in this Act.

4     The board of directors of each corporation shall, by resolution  
5 adopted by each such board, approve a plan of merger setting forth:

6     1. The names of the corporations proposing to merge, and the  
7 name of the corporation into which they propose to merge, which is  
8 hereinafter designated as the surviving corporation.

9     2. The terms and conditions of the proposed merger.

10    3. The manner and basis of converting the shares of each merg-  
11 ing corporation into shares or other securities or obligations of the  
12 surviving corporation.

13    4. A statement of any changes in the articles of incorporation of  
14 the surviving corporation to be effected by such merger.

15    5. Such other provisions with respect to the proposed merger as  
16 are deemed necessary or desirable.

1     **SEC. 69. Procedure for consolidation.** Any two or more domestic  
2 corporations may consolidate into a new corporation pursuant to a  
3 plan of consolidation approved in the manner provided in this Act.

4     The board of directors of each corporation shall, by a resolution  
5 adopted by each such board, approve a plan of consolidation setting  
6 forth:

7     1. The names of the corporations proposing to consolidate, and the  
8 name of the new corporation into which they propose to consolidate,  
9 which is hereinafter designated as the new corporation.

10    2. The terms and conditions of the proposed consolidation.

11    3. The manner and basis of converting the shares of each corpo-  
12 ration into shares or other securities or obligations of the new cor-  
13 poration.

14    4. With respect to the new corporation, all of the statements re-  
15 quired to be set forth in articles of incorporation for corporations  
16 organized under this Act.

17    5. Such other provisions with respect to the proposed consolidation  
18 as are deemed necessary or desirable.

1     **SEC. 70. Approval by shareholders.** The board of directors of  
2 each corporation, upon approving such plan of merger or plan of con-  
3 solidation, shall, by resolution, direct that the plan be submitted to a  
4 vote at a meeting of shareholders, which may be either an annual or  
5 a special meeting. Written or printed notice shall be given to each  
6 shareholder of record entitled to vote at such meeting, not less than  
7 twenty days before such meeting, in the manner provided in this Act  
8 for the giving of notice of meetings of shareholders, and shall state



9 the purpose of the meeting, whether the meeting be an annual or a  
10 special meeting. A copy or a summary of the plan of merger or plan  
11 of consolidation, as the case may be, shall be included in or enclosed  
12 with such notice.

13 At each such meeting, a vote of the shareholders shall be taken on  
14 the proposed plan of merger or consolidation. Each outstanding  
15 share of each such corporation shall be entitled to vote on the pro-  
16 posed plan of merger or consolidation, whether or not such share has  
17 voting rights under the provisions of the articles of incorporation of  
18 such corporation. The plan of merger or consolidation shall be ap-  
19 proved upon receiving the affirmative vote of the holders of at least  
20 two-thirds of the outstanding shares of each such corporation, unless  
21 any class of shares of any such corporation is entitled to vote as a  
22 class thereon, in which event, as to such corporation, the plan of  
23 merger or consolidation shall be approved upon receiving the affirma-  
24 tive vote of the holders of at least two-thirds of the outstanding  
25 shares of each class of shares entitled to vote as a class thereon and  
26 of the total outstanding shares. Any class of shares of any such  
27 corporation shall be entitled to vote as a class if the plan of merger  
28 or consolidation, as the case may be, contains any provision which,  
29 if contained in a proposed amendment to articles of incorporation,  
30 would entitle such class of shares to vote as a class.

31 After such approval by a vote of the shareholders of each corpora-  
32 tion, and at any time prior to the filing of the articles of merger or  
33 consolidation, the merger or consolidation may be abandoned pur-  
34 suant to provisions therefor, if any, set forth in the plan of merger  
35 or consolidation.

1 SEC. 71. **Articles of merger or consolidation.** Upon such approval,  
2 articles of merger or articles of consolidation shall be executed by  
3 each corporation by its president or a vice-president and by its sec-  
4 retary or an assistant secretary, and acknowledged by one of the  
5 officers of each corporation signing such articles, and shall set forth:

6 1. The plan of merger or the plan of consolidation.

7 2. As to each corporation, the number of shares outstanding, and,  
8 if the shares of any class are entitled to vote as a class, the designa-  
9 tion and number of outstanding shares of each such class.

10 3. As to each corporation, the number of shares voted for and  
11 against such plan, respectively, and, if the shares of any class are  
12 entitled to vote as a class, the number of shares of each such class  
13 voted for and against such plan, respectively.

14 The articles of merger or articles of consolidation shall be deliv-  
15 ered to the secretary of state for filing and recording in his office,  
16 and the same shall be filed and recorded in the office of the county  
17 recorder.

18 The secretary of state upon the filing of the articles of merger or  
19 articles of consolidation shall issue a certificate of merger or a cer-  
20 tificate of consolidation and send the same to the surviving or new  
21 corporation as the case may be, or to its representative.

1 SEC. 72. **Merger of subsidiary corporation.** Any corporation own-  
2 ing at least ninety-five per cent of the outstanding shares of each  
3 class of another corporation may merge such other corporation into  
4 itself without approval by a vote of the shareholders of either cor-

poration. Its board of directors shall, by resolution, approve a plan of merger setting forth:

1. The name of the subsidiary corporation and the name of the corporation owning at least ninety-five per cent of its shares, which is hereinafter designated as the surviving corporation.

2. The manner and basis of converting the shares of the subsidiary corporation into shares or other securities or obligations of the surviving corporation or the cash or other consideration to be paid or delivered upon surrender of each share of the subsidiary corporation.

A copy of such plan of merger shall be mailed to each shareholder of record of the subsidiary corporation.

Articles of merger shall be executed by the surviving corporation by its president or a vice-president and by its secretary or an assistant secretary, and acknowledged by one of its officers signing such articles, and shall set forth:

3. The plan of merger;

4. The number of outstanding shares of each class of the subsidiary corporation and the number of such shares of each class owned by the surviving corporation; and

5. The date of the mailing to shareholders of the subsidiary corporation of a copy of the plan of merger.

The articles of merger shall be delivered to the secretary of state for filing and recording in his office, and the same shall be filed and recorded in the office of the county recorder.

The secretary of state upon filing the articles of merger shall issue a certificate of merger, and send the same to the surviving corporation or its representative.

**SEC. 73. Effect of merger or consolidation.** Upon the issuance of the certificate of merger or the certificate of consolidation by the secretary of state, the merger or consolidation shall be effected.

When such merger or consolidation has been effected:

1. The several corporations parties to the plan of merger or consolidation shall be a single corporation, which, in the case of a merger, shall be that corporation designated in the plan of merger as the surviving corporation, and, in the case of consolidation, shall be the new corporation provided for in the plan of consolidation.

2. The separate existence of all corporations parties to the plan of merger or consolidation, except the surviving or new corporation, shall cease.

3. Such surviving or new corporation, if to exist under the laws of this state, shall have all the rights, privileges, immunities and powers and shall be subject to all the duties and liabilities of a corporation organized under this Act.

4. Such surviving or new corporation shall thereupon and thereafter possess all the rights, privileges, immunities, and franchises, as well of a public as of a private nature, of each of the merging or consolidating corporations; and all property, real, personal and mixed, and all debts due on whatever account, including subscriptions to shares, and all other choses in action, and all and every other interest, of or belonging to or due to each of the corporations so merged or consolidated, shall be taken and deemed to be transferred to and vested in such single corporation without further act or deed;

26 and the title to any real estate, or any interest therein, vested in any  
27 of such corporations shall not revert or be in any way impaired by  
28 reason of such merger or consolidation.

29 5. Such surviving or new corporation shall thenceforth be respon-  
30 sible and liable for all the liabilities and obligations of each of the  
31 corporations so merged or consolidated; and any claim existing or  
32 action or proceeding pending by or against any of such corporations  
33 may be prosecuted as if such merger or consolidation had not taken  
34 place, or such surviving or new corporation may be substituted in  
35 its place. Neither the rights of creditors nor any liens upon the prop-  
36 erty of any such corporation shall be impaired by such merger or  
37 consolidation.

38 6. In the case of a merger, the articles of incorporation of the  
39 surviving corporation shall be deemed to be amended to the extent,  
40 if any, that changes in its articles of incorporation are stated in the  
41 plan of merger; and, in the case of a consolidation, the statements  
42 set forth in the articles of consolidation and which are required or  
43 permitted to be set forth in the articles of incorporation of corpora-  
44 tions organized under this Act shall be deemed to be the original  
45 articles of incorporation of the new corporation.

46 7. The aggregate amount of the net assets of the merging or con-  
47 solidating corporations which was available for the payment of div-  
48 idends immediately prior to such merger or consolidation, to the  
49 extent that the amount thereof is not transferred to stated capital  
50 by the issuance of shares or otherwise, shall continue to be available  
51 for the payment of dividends by such surviving or new corporation.

1 SEC. 74. **Merger or consolidation of domestic and foreign corpora-**  
2 **tions.** One or more foreign corporations and one or more domestic  
3 corporations may be merged or consolidated in the following man-  
4 ner, if such merger or consolidation is permitted by the laws of the  
5 state under which each such foreign corporation is organized:

6 1. Each domestic corporation shall comply with the provisions of  
7 this Act with respect to the merger or consolidation, as the case may  
8 be, of domestic corporations and each foreign corporation shall com-  
9 ply with the applicable provisions of the laws of the state under  
10 which it is organized.

11 2. If the surviving or new corporation, as the case may be, is to be  
12 governed by the laws of any state other than this state, it shall com-  
13 ply with the provisions of the laws of this state with respect to qual-  
14 ification of foreign corporations if it is to transact business in this  
15 state, and in every case it shall file with the secretary of state of this  
16 state:

17 a. An agreement that it may be served with process in this state  
18 in any proceeding for the enforcement of any obligation of any do-  
19 mestic corporation which is a party to such merger or consolidation  
20 and in any proceeding for the enforcement of the rights of a dissent-  
21 ing shareholder of any such domestic corporation against the sur-  
22 viving or new corporation;

23 b. An irrevocable appointment of the secretary of state of this  
24 state as its agent to accept service of process in any such proceeding;  
25 and

26 c. An agreement that it will promptly pay to the dissenting share-  
27 holders of any such domestic corporation the amount, if any, to

28 which they shall be entitled under the provisions of this Act with  
29 respect to the rights of dissenting shareholders.

30 The effect of such merger or consolidation shall be the same as in  
31 the case of the merger or consolidation of domestic corporations, if  
32 the surviving or new corporation is to be governed by the laws of this  
33 state. If the surviving or new corporation is to be governed by the  
34 laws of any state other than this state, the effect of such merger or  
35 consolidation shall be the same as in the case of the merger or consoli-  
36 dation of domestic corporations except in so far as the laws of such  
37 other state provide otherwise.

38 At any time prior to the filing of the articles of merger or consoli-  
39 dation, the merger or consolidation may be abandoned pursuant to  
40 the provisions therefor, if any, set forth in the plan of merger or  
41 consolidation.

1 SEC. 75. Sale or other disposition of assets in regular course of  
2 business and mortgage or pledge of assets. The sale, lease, exchange  
3 or other disposition of all, or substantially all, the property and as-  
4 sets of a corporation, when made in the usual and regular course of  
5 the business of the corporation, and the mortgage or pledge of any  
6 or all of the property and assets of the corporation may be made upon  
7 such terms and conditions and for such considerations, which may  
8 consist in whole or in part of money or property, real or personal,  
9 including shares of any other corporation, domestic or foreign, as  
10 shall be authorized by its board of directors; and in such case no  
11 authorization or consent of the shareholders shall be required.

1 SEC. 76. Sale or other disposition of assets other than in regular  
2 course of business. A sale, lease, exchange or other disposition of all,  
3 or substantially all, the property and assets, with or without the good  
4 will, of a corporation, if not made in the usual and regular course of  
5 its business, may be made upon such terms and conditions and for  
6 such consideration, which may consist in whole or in part of money  
7 or property, real or personal, including shares of any other corpora-  
8 tion, domestic or foreign, as may be authorized in the following man-  
9 ner:

10 1. The board of directors shall adopt a resolution recommending  
11 such sale, lease, exchange or other disposition and directing the sub-  
12 mission thereof to a vote at a meeting of shareholders, which may be  
13 either an annual or a special meeting.

14 2. Written or printed notice shall be given to each shareholder of  
15 record entitled to vote at such meeting within the time and in the  
16 manner provided in this Act for the giving of notice of meetings of  
17 shareholders, and, whether the meeting be an annual or a special  
18 meeting, shall state that the purpose, or one of the purposes, of such  
19 meeting is to consider the proposed sale, lease, exchange or other  
20 disposition.

21 3. At such meeting the shareholders may authorize such sale, lease,  
22 exchange or other disposition and may fix, or may authorize the  
23 board of directors to fix, any or all of the terms and conditions there-  
24 of and the consideration to be received by the corporation therefor.  
25 Such authorization shall require the affirmative vote of the holders  
26 of at least a majority of the outstanding shares of the corporation  
27 entitled to vote thereon, unless any class of shares is entitled to vote

28 as a class thereon, in which event such authorization shall require  
29 the affirmative vote of the holders of at least a majority of the out-  
30 standing shares of each class of shares entitled to vote as a class  
31 thereon and of the total outstanding shares entitled to vote thereon.

32 4. After such authorization by a vote of shareholders, the board  
33 of directors nevertheless, in its discretion, may abandon such sale,  
34 lease, exchange or other disposition of assets, subject to the rights  
35 of third parties under any contracts relating thereto, without fur-  
36 ther action or approval by shareholders.

1 SEC. 77. **Right of shareholders to dissent.** Any shareholder of a  
2 corporation shall have the right to dissent from any of the following  
3 corporate actions:

4 1. Any plan of merger or consolidation to which the corporation  
5 is a party; or

6 2. Any sale or exchange of all or substantially all of the property  
7 and assets of the corporation, otherwise than in the usual and regu-  
8 lar course of its business.

9 A shareholder may dissent as to less than all of the shares regis-  
10 tered in his name. In that event, his rights shall be determined as  
11 if the shares as to which he has dissented and his other shares were  
12 registered in the names of different shareholders.

13 The provisions of this section shall not apply to the shareholders  
14 of the surviving corporation in a merger if such corporation is on the  
15 date of the filing of the articles of merger the owner of all the out-  
16 standing shares of the other corporations, domestic or foreign, which  
17 are parties to the merger, or if a vote of the shareholders of such  
18 corporation is not necessary to authorize such merger.

1 SEC. 78. **Rights of dissenting shareholders.** Any shareholder  
2 electing to exercise such right of dissent shall file with the corpora-  
3 tion, prior to or at the meeting of shareholders at which such pro-  
4 posed corporate action is submitted to a vote, a written objection to  
5 such proposed corporate action. If such proposed corporate action be  
6 approved by the required vote and such shareholder shall not have  
7 voted in favor thereof, such shareholder may, within ten days after  
8 the date on which the vote was taken, or if a corporation is to be  
9 merged without a vote of its shareholders into another corporation,  
10 any of its shareholders may, within ten days after the plan of such  
11 merger shall have been mailed to such shareholders make written  
12 demand on the corporation, or, in the case of a merger or consolida-  
13 tion, on the surviving or new corporation, domestic or foreign, for  
14 payment of the fair value of such shareholder's shares, and, if such  
15 proposed corporate action is effected, such corporation shall pay to  
16 such shareholder, upon surrender of the certificate or certificates  
17 representing such shares, the fair value thereof as of the day prior  
18 to the date on which the vote was taken approving the proposed cor-  
19 porate action, excluding any appreciation or depreciation in antici-  
20 pation of such corporate action. Any shareholder failing to make  
21 demand within the ten-day period shall be bound by the terms of  
22 the proposed corporate action. If the proposed corporate action shall  
23 be abandoned or rescinded or the shareholders shall revoke the au-  
24 thority to effect such action, then the right of such shareholder to be  
25 paid the fair value of his shares shall cease and his status as a share-

26 holder shall be restored, without prejudice to any corporate proceed-  
27 ings which may have been taken during the interim.

28 Within twenty days after such corporate action is effected, the  
29 corporation, or, in the case of a merger or consolidation, the surviv-  
30 ing or new corporation, domestic or foreign, shall give written notice  
31 thereof to each dissenting shareholder who has made demand as  
32 herein provided, and shall make a written offer to each such share-  
33 holder to pay for such shares at a specified price deemed by such  
34 corporation to be the fair value thereof. Such notice and offer shall  
35 be accompanied by a balance sheet of the corporation the shares of  
36 which the dissenting shareholder holds, as of the latest available date  
37 and not more than twelve months prior to the making of such offer,  
38 and a profit and loss statement of such corporation for the twelve  
39 months' period ended on the date of such balance sheet.

40 If within thirty days after the date on which such corporate action  
41 was effected the fair value of such shares is agreed upon between  
42 any such dissenting shareholder and the corporation, payment there-  
43 for shall be made within ninety days after the date on which such  
44 corporate action was effected, upon surrender of the certificate or  
45 certificates representing such shares. Upon payment of the agreed  
46 value the dissenting shareholder shall cease to have any interest in  
47 such shares.

48 If within such period of thirty days the dissenting shareholder and  
49 the corporation do not agree, then the dissenting shareholder may,  
50 within sixty days after the expiration of the thirty-day period, file a  
51 petition in any court of competent jurisdiction within the state and  
52 county thereof in which the registered office or principal place of  
53 business of the corporation is situated asking for a finding and deter-  
54 mination of the fair value of such shares, and shall be entitled to  
55 judgment against the corporation for the amount of such fair value  
56 as of the day prior to the date on which such vote was taken approv-  
57 ing such corporate action, together with interest thereon at the rate  
58 of five per cent per annum to the date of such judgment. The action  
59 shall be prosecuted as an equitable action and the practice and proce-  
60 dure shall conform to the practice and procedure in equity cases.  
61 The judgment shall be payable only upon and simultaneously with  
62 the surrender to the corporation of the certificate or certificates  
63 representing such shares.

64 Upon payment of the judgment, the dissenting shareholder shall  
65 cease to have any interest in such shares. Unless the dissenting  
66 shareholder shall file such petition within the time herein limited,  
67 such shareholder and all persons claiming under him shall be con-  
68 clusively presumed to have approved and ratified the corporate action  
69 and shall be bound by the terms thereof.

70 Shares acquired by a corporation pursuant to payment of the  
71 agreed value therefor or to payment of the judgment entered there-  
72 for, as in this section provided, may be held and disposed of by such  
73 corporation as in the case of other treasury shares, except that, in  
74 the case of a merger or consolidation, they may be held and disposed  
75 of as the plan of merger or consolidation may otherwise provide.

1 **SEC. 79. Voluntary dissolution by incorporators.** A corporation  
2 which has not commenced business and which has not issued any  
3 shares, may be voluntarily dissolved by its incorporators at any time

4 after the date of the issuance of its certificate of incorporation, in  
5 the following manner:

6 1. Articles of dissolution shall be executed by a majority of the  
7 incorporators, and verified by them, and shall set forth:

8 a. The name of the corporation.

9 b. The date of issuance of its certificate of incorporation.

10 c. That none of its shares has been issued.

11 d. That the corporation has not commenced business.

12 e. That the amount, if any, actually paid in on subscriptions for its  
13 shares, less any part thereof disbursed for necessary expenses, has  
14 been returned to those entitled thereto.

15 f. That no debts of the corporation remain unpaid.

16 g. That they elect that the corporation be dissolved.

17 2. The articles of dissolution shall be delivered to the secretary  
18 of state for filing and recording in his office, and the same shall be  
19 filed and recorded in the office of the county recorder.

20 The secretary of state upon filing the articles of dissolution shall  
21 issue a certificate of dissolution and send the same to the incorpora-  
22 tors or their representatives. Upon the issuance of such certificate  
23 of dissolution by the secretary of state, the existence of the corpora-  
24 tion shall cease.

1 **SEC. 80. Voluntary dissolution by consent of shareholders.** A cor-  
2 poration may be voluntarily dissolved by the written consent of all  
3 of its shareholders.

4 Upon the execution of such written consent, a statement of intent  
5 to dissolve shall be executed by the corporation by its president or a  
6 vice-president and by its secretary or an assistant secretary, and  
7 verified by one of the officers signing such statement, which state-  
8 ment shall set forth:

9 1. The name of the corporation.

10 2. The names and respective addresses of its officers.

11 3. The names and respective addresses of its directors.

12 4. A copy of the written consent signed by all shareholders of the  
13 corporation.

14 5. A statement that such written consent has been signed by all  
15 shareholders of the corporation or signed in their names by their  
16 attorneys thereunto duly authorized.

1 **SEC. 81. Voluntary dissolution by act of corporation.** A corpora-  
2 tion may be dissolved by the act of the corporation, when authorized  
3 in the following manner:

4 1. The board of directors shall adopt a resolution recommending  
5 that the corporation be dissolved, and directing that the question of  
6 such dissolution be submitted to a vote at a meeting of shareholders,  
7 which may be either an annual or a special meeting.

8 2. Written or printed notice shall be given to each shareholder of  
9 record entitled to vote at such meeting within the time and in the  
10 manner provided in this Act for the giving of notice of meetings of  
11 shareholders, and, whether the meeting be an annual or special meet-  
12 ing, shall state that the purpose, or one of the purposes, of such meet-  
13 ing is to consider the advisability of dissolving the corporation.

14 3. At such meeting a vote of shareholders entitled to vote thereat  
15 shall be taken on a resolution to dissolve the corporation. Such reso-

16 lution shall be adopted upon receiving the affirmative vote of the  
17 holders of a majority of the outstanding shares of the corporation  
18 entitled to vote upon the question of dissolution, unless any class of  
19 shares is entitled to vote as a class thereon, in which event the reso-  
20 lution shall require for its adoption the affirmative vote of the hold-  
21 ers of a majority of the outstanding shares of each class of shares  
22 entitled to vote as a class thereon, and of the total outstanding shares  
23 entitled to vote upon the question of dissolution.

24 4. Upon the adoption of such resolution, a statement of intent to  
25 dissolve shall be executed by the corporation by its president or a  
26 vice-president and by its secretary or an assistant secretary, and  
27 verified by one of the officers signing such statement, which state-  
28 ment shall set forth:

29 a. The name of the corporation.

30 b. The names and respective addresses of its officers.

31 c. The names and respective addresses of its directors.

32 d. A copy of the resolution adopted by the shareholders authoriz-  
33 ing the dissolution of the corporation.

34 e. The number of shares outstanding, and, if the shares of any class  
35 are entitled to vote as a class, the designation and number of out-  
36 standing shares of each such class.

37 f. The number of shares voted for and against the resolution, re-  
38 spectively, and if the shares of any class are entitled to vote as a  
39 class, the number of shares of each such class voted for and against  
40 the resolution, respectively.

1 SEC. 82. Filing of statement of intent to dissolve. The statement  
2 of intent to dissolve, whether by consent of shareholders or by act of  
3 the corporation, shall be delivered to the secretary of state for filing  
4 and recording in his office, and the same shall be filed and recorded  
5 in the office of the county recorder.

1 SEC. 83. Effect of statement of intent to dissolve. Upon the filing  
2 by the secretary of state of a statement of intent to dissolve, whether  
3 by consent of shareholders or by act of the corporation, the corpora-  
4 tion shall cease to carry on its business, except in so far as may be  
5 necessary for the winding up thereof, but its corporate existence  
6 shall continue until a certificate of dissolution has been issued by the  
7 secretary of state or until a decree dissolving the corporation has  
8 been entered by a court of competent jurisdiction as in this Act pro-  
9 vided.

1 SEC. 84. Procedure after filing of statement of intent to dissolve.  
2 After the filing by the secretary of state of a statement of intent to  
3 dissolve:

4 1. The corporation shall proceed to collect its assets, convey and  
5 dispose of such of its properties as are not to be distributed in kind  
6 to its shareholders, pay, satisfy and discharge its liabilities and obli-  
7 gations and do all other acts required to liquidate its business and  
8 affairs, and, after paying or adequately providing for the payment of  
9 all its obligations, distribute the remainder of its assets, either in  
10 cash or in kind, among its shareholders according to their respective  
11 rights and interests.

12 2. The corporation, at any time during the liquidation of its busi-  
13 ness and affairs, may make application to the district court in and



14 for the county in which the registered office or principal place of  
15 business of the corporation is situated, to have the liquidation con-  
16 tinued under the supervision of the court as provided in this Act.

1     **SEC. 85. Revocation of voluntary dissolution proceedings by con-**  
2 **sent of shareholders.** By the written consent of all of its sharehold-  
3 ers, a corporation may, at any time prior to the issuance of a cer-  
4 tificate of dissolution by the secretary of state, revoke voluntary dis-  
5 solution proceedings theretofore taken, in the following manner:

6     Upon the execution of such written consent, a statement of revoca-  
7 tion of voluntary dissolution proceedings shall be executed by the  
8 corporation by its president or a vice-president and by its secretary  
9 or an assistant secretary, and acknowledged by one of the officers  
10 signing such statement, which statement shall set forth:

11     1. The name of the corporation.

12     2. The names and respective addresses of its officers.

13     3. The names and respective addresses of its directors.

14     4. A copy of the written consent signed by all shareholders of the  
15 corporation revoking such voluntary dissolution proceedings.

16     5. That such written consent has been signed by all shareholders  
17 of the corporation or signed in their names by their attorneys there-  
18 unto duly authorized.

1     **SEC. 86. Revocation of voluntary dissolution proceedings by act**  
2 **of corporation.** By the act of the corporation, a corporation may, at  
3 any time prior to the issuance of a certificate of dissolution by the  
4 secretary of state, revoke voluntary dissolution proceedings thereto-  
5 fore taken, in the following manner:

6     1. The board of directors shall adopt a resolution recommending  
7 that the voluntary dissolution proceedings be revoked, and directing  
8 that the question of such revocation be submitted to a vote at a  
9 special meeting of shareholders.

10     2. Written or printed notice, stating that the purpose or one of  
11 the purposes of such meeting is to consider the advisability of revok-  
12 ing the voluntary dissolution proceedings, shall be given to each  
13 shareholder of record entitled to vote at such meeting within the time  
14 and in the manner provided in this Act for the giving of notice of  
15 special meetings of shareholders.

16     3. At such meeting a vote of shareholders entitled to vote thereat  
17 shall be taken on a resolution to revoke the voluntary dissolution  
18 proceedings. Such resolution shall be adopted upon receiving the  
19 affirmative vote of the holders of a majority of the outstanding  
20 shares of the corporation then entitled to vote upon the question of  
21 dissolution, unless any class of shares is entitled to vote as a class  
22 thereon, in which event the resolution shall require for its adoption  
23 the affirmative vote of the holders of a majority of the outstanding  
24 shares of each class of shares entitled to vote as a class thereon, and  
25 of the total outstanding shares entitled to vote upon the question of  
26 dissolution.

27     4. Upon the adoption of such resolution, a statement of revoca-  
28 tion of voluntary dissolution proceedings shall be executed by the  
29 corporation by its president or a vice-president and by its secretary  
30 or an assistant secretary, and acknowledged by one of the officers

31 signing such statement, which statement shall set forth :  
32     a. The name of the corporation.  
33     b. The names and respective addresses of its officers.  
34     c. The names and respective addresses of its directors.  
35     d. A copy of the resolution adopted by the shareholders revoking  
36 the voluntary dissolution proceedings.  
37     e. The number of shares outstanding, and, if the shares of any  
38 class are entitled to vote as a class, the designation and number of  
39 outstanding shares of each such class.  
40     f. The number of shares voted for and against the resolution, re-  
41 spectively, and if the shares of any class are entitled to vote as a  
42 class, the number of shares of each such class voted for and against  
43 the resolution, respectively.

1     **SEC. 87. Filing of statement of revocation of voluntary dissolu-**  
2 **tion proceedings.** The statement of revocation of voluntary dissolu-  
3 tion proceedings, whether by consent of shareholders or by act of the  
4 corporation, shall be delivered to the secretary of state for filing and  
5 recording in his office, and the same shall be filed and recorded in the  
6 office of the county recorder.

1     **SEC. 88. Effect of statement of revocation of voluntary dissolu-**  
2 **tion proceedings.** Upon the filing by the secretary of state of a state-  
3 ment of revocation of voluntary dissolution proceedings, whether by  
4 consent of shareholders or by act of the corporation, the revocation  
5 of the voluntary dissolution proceedings shall become effective and  
6 the corporation may again carry on its business.

1     **SEC. 89. Articles of dissolution.** If voluntary dissolution proceed-  
2 ings have not been revoked, then when all debts, liabilities and obli-  
3 gations of the corporation have been paid or otherwise discharged,  
4 or adequate provision has been made therefor, and all of the remain-  
5 ing property and assets of the corporation have been distributed to  
6 its shareholders, articles of dissolution shall be executed by the cor-  
7 poration by its president or a vice-president and by its secretary or  
8 an assistant secretary, and verified by one of the officers signing  
9 such statement, which statement shall set forth :

10     1. The name of the corporation.  
11     2. That the secretary of state has theretofore filed a statement of  
12 intent to dissolve the corporation, and the date on which such state-  
13 ment was filed.  
14     3. That all debts, obligations and liabilities of the corporation have  
15 been paid or otherwise discharged or that adequate provision has  
16 been made therefor.  
17     4. That all the remaining property and assets of the corporation  
18 have been distributed among its shareholders in accordance with  
19 their respective rights and interests.  
20     5. That there are no suits pending against the corporation in any  
21 court, or that adequate provision has been made for the satisfaction  
22 of any judgment, order or decree which may be entered against it in  
23 any pending suit.

1     **SEC. 90. Filing of articles of dissolution.** Such articles of dissolu-  
2 tion shall be delivered to the secretary of state for filing and record-

ing in his office, and the same shall be filed and recorded in the office of the county recorder.

The secretary of state upon filing the articles of dissolution shall issue a certificate of dissolution, and send the same to the representative of the dissolved corporation. Upon the issuance of such certificate of dissolution the existence of the corporation shall cease, except for the purpose of suits, other proceedings and appropriate corporate action by shareholders, directors and officers as provided in this Act.

**SEC. 91. Involuntary dissolution.** A corporation may be dissolved involuntarily by a decree of the district court in a suit filed by the attorney general when it is established that it is in default in any of the following particulars:

1. The corporation has failed to file its annual report within the time required by law, or has failed to pay any fees, or penalties prescribed by this Act when the same have become due and payable; or

2. The corporation has failed to maintain a record in the secretary of state's office of its registered office and agent in this state as required by law.

**SEC. 92. Notification and action by the attorney general.** The secretary of state, on or before the first day of November of each year, shall certify to the attorney general the names of all corporations which have failed to file their annual reports or to pay annual license fees in accordance with the provisions of this Act, together with the facts pertinent thereto. He shall also certify, from time to time, the names of all corporations which have given other cause for dissolution as provided in this Act, together with the facts pertinent thereto. Whenever the secretary of state shall certify the name of a corporation to the attorney general as having given any cause for dissolution the secretary of state shall by registered or certified mail concurrently send to the corporation at its registered office, a notice that such certification has been made and the grounds therefor. Upon the expiration of thirty days from the receipt of such certification, the attorney general, if he believes one or more probable grounds for dissolution exist, shall file suit in equity in the name of the state against such corporation for its dissolution. Every such certificate from the secretary of state to the attorney general pertaining to the failure of a corporation to file an annual report or pay an annual license fee shall be taken and received in all courts as prima facie evidence of the facts therein stated. If, before suit is filed, the corporation shall cure the default constituting the cause for dissolution, such fact shall be forthwith certified by the secretary of state to the attorney general and he shall not file suit against such corporation for such cause. If, after suit is filed, the corporation shall cure the default constituting the cause for dissolution and shall pay the costs of such suit, the suit for such cause shall be dismissed.

In addition to any other remedies provided by law, a corporation may be dissolved involuntarily by a decree of the district court in a suit filed by the attorney general when it is established that the franchise of the corporation was procured through fraud or that the corporation has continued to exceed or abuse the authority conferred upon it by law.

1     **SEC. 93. Venue and process.** A suit in equity commenced by the  
2 attorney general for the involuntary dissolution of a corporation  
3 shall be brought in the district court of the county in which the reg-  
4 istered office or principal office of the corporation is situated. Orig-  
5 inal notice shall be served as in other civil actions.

1     **SEC. 94. Jurisdiction of court to liquidate assets and business of**  
2 **corporation.** The district court in a suit in equity shall have full  
3 power to liquidate the assets and business of a corporation:

4     1. In a suit by a shareholder when it is established:

5     a. That the directors are deadlocked in the management of the  
6 corporate affairs and the shareholders are unable to break the dead-  
7 lock, and that irreparable injury to the corporation is being suffered  
8 or is threatened by reason thereof; or

9     b. That the acts of the directors or those in control of the corpora-  
10 tion are illegal, oppressive or fraudulent; or

11     c. That as shown by the proceedings at any meeting of the share-  
12 holders the shareholders are deadlocked in voting power and that  
13 irreparable injury to the corporation is being suffered or is threat-  
14 ened by reason thereof; or

15     d. That the corporate assets are being misapplied or wasted.

16     2. In a suit by a creditor:

17     a. When the claim of the creditor has been reduced to judgment  
18 which has become final, and an execution thereon returned unsatis-  
19 fied and it is established that the corporation is insolvent; or

20     b. When the corporation has admitted in writing that the claim  
21 of the creditor is due and owing and it is established that the cor-  
22 poration is insolvent.

23     3. Upon application by a corporation which has filed a statement  
24 of intent to dissolve, as provided in this Act, to have its liquidation  
25 continued under the supervision of the court.

26     4. When a suit has been filed by the attorney general to dissolve a  
27 corporation and it is established that liquidation of its business and  
28 affairs should precede the entry of a decree of dissolution.

29     5. Upon application by the board of directors when it is estab-  
30 lished that circumstances make it impossible to obtain a representa-  
31 tive vote by shareholders on the question of dissolution and that the  
32 continuation of the business of the corporation is not in the interest  
33 of the shareholders but it is desirable in their interest that the assets  
34 and business be liquidated.

35     Proceedings under this section shall be brought in the county in  
36 which the registered office or the principal office of the corporation is  
37 situated.

38     It shall not be necessary to make shareholders parties to any such  
39 suit or proceeding unless relief is sought against them personally.

1     **SEC. 95. Procedure in liquidation of corporation by court.** In pro-  
2 ceedings to liquidate the assets and business of a corporation the  
3 court shall have power to issue injunctions, to appoint a receiver or  
4 receivers pendente lite, with such powers and duties as the court,  
5 from time to time, may direct, and to take such other proceedings  
6 as may be requisite to preserve the corporate assets wherever situ-  
7 ated, and carry on the business of the corporation until a full hearing  
8 can be had.

9 After a hearing had upon such notice as the court may direct to be  
10 given to all parties to the proceedings and to any other parties in  
11 interest designated by the court, the court may appoint a liquidating  
12 receiver or receivers with authority to collect the assets of the cor-  
13 poration, including all amounts owing to the corporation by share-  
14 holders on account of any unpaid portion of the consideration for the  
15 issuance of shares. Such liquidating receiver or receivers shall have  
16 authority, subject to the order of the court, to sell, convey and dis-  
17 pose of all or any part of the assets of the corporation wherever situ-  
18 ated, either at public or private sale. The assets of the corporation  
19 or the proceeds resulting from a sale, conveyance or other disposition  
20 thereof shall be applied to the expenses of such liquidation and to the  
21 payment of the liabilities and obligations of the corporation, and any  
22 remaining assets or proceeds shall be distributed among its share-  
23 holders according to their respective rights and interests. The order  
24 appointing such liquidating receiver or receivers shall state their  
25 powers and duties. Such powers and duties may be increased or di-  
26 minished at any time during the proceedings.

27 The court shall have power to allow from time to time as expenses  
28 of the liquidation compensation to the receiver or receivers and to  
29 attorneys in the proceedings, and to direct the payment thereof out  
30 of the assets of the corporation or the proceeds of any sale or disposi-  
31 tion of such assets.

32 A receiver of a corporation appointed under the provisions of this  
33 section shall have authority to sue and defend in all courts in his  
34 own name as receiver of such corporation. The court appointing such  
35 receiver shall have exclusive jurisdiction of the corporation and its  
36 property, wherever situated.

1 SEC. 96. **Qualifications of receivers.** A receiver shall in all cases  
2 be a citizen of the United States or a corporation authorized to act  
3 as receiver, which corporation may be a domestic corporation or a  
4 foreign corporation authorized to transact business in this state,  
5 and shall in all cases give such bond as the court may direct with  
6 such sureties as the court may require.

1 SEC. 97. **Filing of claims in liquidation proceedings.** In proceed-  
2 ings to liquidate the assets and business of a corporation the court  
3 may require all creditors of the corporation to file with the clerk of  
4 the court or with the receiver, in such form as the court may pre-  
5 scribe, proofs under oath of their respective claims. If the court re-  
6 quires the filing of claims it shall fix a date, which shall not be less  
7 than four months from the date of the order, as the last day for the  
8 filing of claims, and shall prescribe the notice that shall be given to  
9 creditors and claimants of the date so fixed. Prior to the date so  
10 fixed, the court may extend the time for the filing of claims. Cred-  
11 itors and claimants failing to file proofs of claim on or before the  
12 date so fixed may be barred, by order of court, from participating  
13 in the distribution of the assets of the corporation.

1 SEC. 98. **Discontinuance of liquidation proceedings.** The liquida-  
2 tion of the assets and business of a corporation may be discontinued  
3 at any time during the liquidation proceedings when it is established  
4 that cause for liquidation no longer exists. In such event the court

5 shall dismiss the proceedings and direct the receiver to redeliver to  
6 the corporation all its remaining property and assets.

1     **SEC. 99. Decree of dissolution.** In proceedings to liquidate the  
2 assets and business of a corporation, when the costs and expenses of  
3 such proceedings and all debts, obligations and liabilities of the cor-  
4 poration shall have been paid and discharged and all of its remain-  
5 ing property and assets distributed to its shareholders, or in case its  
6 property and assets are not sufficient to satisfy and discharge such  
7 costs, expenses, debts and obligations, all the property and assets  
8 have been applied so far as they will go to their payment, the court  
9 shall enter a decree dissolving the corporation, whereupon the exist-  
10 ence of the corporation shall cease.

1     **SEC. 100. Filing of decree of dissolution.** In case the court shall  
2 enter a decree dissolving a corporation, it shall be the duty of the  
3 clerk of such court to cause certified copies of the decree to be filed  
4 with and recorded by the secretary of state and the county recorder  
5 of the county in which is located the corporation's registered office.  
6 No fee shall be charged by the secretary of state or said county re-  
7 corder for the filing or recording thereof.

1     **SEC. 101. Deposit with state treasurer of amount due certain**  
2 **shareholders and creditors.**

3     1. Upon the voluntary or involuntary dissolution of a corporation  
4 the portion of the assets distributable to a creditor or shareholder  
5 who is unknown, or who is under disability and there is no person  
6 legally competent to receive such distributive portion, or who can-  
7 not be found after the exercise of reasonable diligence by the person  
8 or persons responsible for the distribution in liquidation of the cor-  
9 poration's assets, shall be reduced to cash and deposited with the  
10 state treasurer, together with a statement giving the name of the  
11 person, if known, entitled to such fund, his last known address, the  
12 amount of his distributive portion, and such other information about  
13 such person as the state treasurer may reasonably require, where-  
14 upon the person or persons responsible for the distribution in liqui-  
15 dation of the corporation's assets shall be released and discharged  
16 from any further liability with respect to the funds so deposited.  
17 The state treasurer shall issue his receipt for such fund and shall  
18 deposit same in a special account to be maintained by him.

19     2. On receipt of satisfactory written and verified proof of owner-  
20 ship of or right to such fund within twenty years from the date such  
21 fund was so deposited, the state treasurer shall certify such fact to  
22 the state comptroller, who shall issue proper warrant therefor drawn  
23 on the state treasurer in favor of the person or persons then entitled  
24 thereto. If no claimant has made satisfactory proof of right to such  
25 fund within twenty years from the time of such deposit, the state  
26 treasurer shall then cause to be published in one issue of a newspaper  
27 of general circulation in the county of the last registered office of the  
28 corporation, as shown by the records of the secretary of state, a  
29 notice of the proposed escheat of such fund, giving the name of the  
30 creditor or shareholder apparently entitled thereto, his last known  
31 address, if any, the amount of the fund so deposited, and the name  
32 of the dissolved corporation from whose assets such fund was de-

33 rived. If no claimant makes satisfactory proof of right to such fund  
34 within two months from the time of such publication, the fund so  
35 unclaimed shall thereupon automatically escheat to and become the  
36 property of the general fund of the state.

1 SEC. 102. **Survival of rights and remedies after dissolution or ex-**  
2 **piration.** The dissolution of a corporation or the expiration of its  
3 period of duration, shall not take away or impair any remedy avail-  
4 able to or against such corporation, its directors, officers, or share-  
5 holders, for any right or claim existing, or any liability incurred,  
6 prior to such dissolution or expiration, if action or other proceeding  
7 thereon is commenced within two years after the date of such dissolu-  
8 tion or expiration. Any such action or proceeding by or against the  
9 corporation may be prosecuted or defended by the corporation in its  
10 corporate name. The shareholders, directors and officers shall have  
11 power to take such corporate or other action as shall be appropriate  
12 to protect such remedy, right or claim. If the period of duration of  
13 a corporation has expired, it may, subject to the provisions of sub-  
14 section 11 of section 142 of this Act, amend its articles of incorpora-  
15 tion at any time within five years after the date of such expiration  
16 so as to extend its period of duration.

17 A corporation which has been dissolved or the period of duration  
18 of which has expired by limitation or otherwise, may nevertheless  
19 continue to act for the purpose of conveying title to its property, real  
20 and personal, and otherwise winding up its affairs.

1 SEC. 103. **Admission of foreign corporation.** No foreign corpora-  
2 tion shall have the right to transact business in this state until it  
3 shall have procured a certificate of authority so to do from the sec-  
4 retary of state. No foreign corporation shall be entitled to procure  
5 a certificate of authority under this Act to transact in this state any  
6 business which a corporation organized under this Act is not per-  
7 mitted to transact. A foreign corporation shall not be denied a cer-  
8 tificate of authority by reason of the fact that the laws of the state  
9 or country under which such corporation is organized governing its  
10 organization and internal affairs differ from the laws of this state,  
11 and nothing in this Act contained shall be construed to authorize this  
12 state to regulate the organization or the internal affairs of such cor-  
13 poration.

14 Without excluding other activities which may not constitute trans-  
15 acting business in this state, a foreign corporation shall not be con-  
16 sidered to be transacting business in this state, for the purposes of  
17 this Act, by reason of carrying on in this state any one or more of  
18 the following activities:

19 1. Maintaining or defending any action or suit or any adminis-  
20 trative or arbitration proceeding, or effecting the settlement thereof  
21 or the settlement of claims or disputes.

22 2. Holding meetings of its directors or shareholders or carrying on  
23 other activities concerning its internal affairs.

24 3. Maintaining bank accounts.

25 4. Maintaining offices or agencies for the transfer, exchange and  
26 registration of its securities, or appointing and maintaining trustees  
27 or depositaries with relation to its securities.

28 5. Effecting sales through independent contractors.

29 6. Soliciting or procuring orders, whether by mail or through em-  
30 ployees or agents or otherwise, where such orders require acceptance  
31 without this state before becoming binding contracts.

32 7. Creating evidences of debt, mortgages or liens on real or per-  
33 sonal property.

34 8. Securing or collecting debts due it or enforcing any rights in  
35 property securing the same.

36 9. Transacting any business in interstate commerce.

37 10. Conducting an isolated transaction completed within a period  
38 of thirty days and not in the course of a number of repeated transac-  
39 tions of like nature.

1 SEC. 104. **Powers of foreign corporation.** A foreign corporation  
2 which shall have received a certificate of authority under this Act  
3 shall, until a certificate of revocation or of withdrawal shall have  
4 been issued as provided in this Act, enjoy the same, but no greater,  
5 rights and privileges as a domestic corporation organized for the  
6 purposes set forth in the application pursuant to which such certifi-  
7 cate of authority is issued; and, except as in this Act otherwise pro-  
8 vided, shall be subject to the same duties, restrictions, penalties and  
9 liabilities now or hereafter imposed upon a domestic corporation of  
10 like character.

1 SEC. 105. **Corporate name of foreign corporation.** No certificate  
2 of authority shall be issued to a foreign corporation unless the cor-  
3 porate name of such corporation:

4 1. Shall contain the word "corporation", "company", "incorpo-  
5 rated", or "limited", or shall contain an abbreviation of one of such  
6 words, or such corporation shall, for use in this state, add at the end  
7 of its name one of such words or an abbreviation thereof.

8 2. Shall not contain any word or phrase which indicates or implies  
9 that it is organized for any purpose other than one or more of the  
10 purposes contained in its articles of incorporation.

11 3. Shall not be the same as, or deceptively similar to, the name of  
12 any domestic corporation existing under the laws of this state or any  
13 foreign corporation authorized to transact business in this state, or  
14 a name the exclusive right to which is, at the time, reserved in the  
15 manner provided in this Act, or the name of a corporation which has  
16 in effect a registration of its name as provided in this Act.

1 SEC. 106. **Change of name by foreign corporation.** Whenever a  
2 foreign corporation which is authorized to transact business in this  
3 state shall change its name to one under which a certificate of author-  
4 ity would not be granted to it on application therefor, the certificate  
5 of authority of such corporation shall be suspended and it shall not  
6 thereafter transact any business in this state until it has changed its  
7 name to a name which is available to it under the laws of this state.

1 SEC. 107. **Application for certificate of authority.** A foreign cor-  
2 poration, in order to procure a certificate of authority to transact  
3 business in this state, shall make application therefor to the secre-  
4 tary of state, which application shall set forth:

5 1. The name of the corporation and the state or country under the  
6 laws of which it is incorporated.



7 2. If the name of the corporation does not contain the word "cor-  
8 poration", "company", "incorporated", or "limited", or does not  
9 contain an abbreviation of one of such words, then the name of the  
10 corporation with the word or abbreviation which it elects to add  
11 thereto for use in this state.

12 3. The date of incorporation and the period of duration of the  
13 corporation.

14 4. The address of the principal office of the corporation in the state  
15 or country under the laws of which it is incorporated.

16 5. The address of the proposed registered office of the corporation  
17 in this state, and the name of its proposed registered agent or agents  
18 in this state at such address.

19 6. The purpose or purposes of the corporation which it proposes  
20 to pursue in the transaction of business in this state.

21 7. The names and respective addresses of the directors and officers  
22 of the corporation.

23 8. A statement of the aggregate number of shares which the cor-  
24 poration has authority to issue, itemized by classes, par value of  
25 shares, shares without par value, and series, if any, within a class.

26 9. A statement of the aggregate number of issued shares itemized  
27 by classes, par value of shares, shares without par value, and series,  
28 if any, within a class.

29 10. A statement, expressed in dollars, of the amount of stated cap-  
30 ital of the corporation, as defined in this Act.

31 11. An estimate, expressed in dollars, of the fair and reasonable  
32 value of all property to be employed and used in Iowa by the corpora-  
33 tion during the year.

34 12. Such additional information as may be necessary or appropri-  
35 ate in order to enable the secretary of state to determine whether  
36 such corporation is entitled to a certificate of authority to transact  
37 business in this state and to determine the fees payable as in this  
38 Act prescribed.

39 Such application shall be made on forms prescribed and furnished  
40 by the secretary of state and shall be executed in duplicate by the  
41 corporation by its president or a vice-president and by its secretary  
42 or an assistant secretary and verified by one of the officers signing  
43 such application.

1 SEC. 108. **Filing of application for certificate of authority.** Dupli-  
2 cate originals of the application of the corporation for a certificate of  
3 authority, together with a copy of its articles of incorporation and all  
4 amendments thereto, duly certified by the proper officer of the state  
5 or country under the laws of which it is incorporated, shall be deliv-  
6 ered to the secretary of state for filing in his office.

7 Upon the filing of the application the secretary of state shall issue  
8 a certificate of authority to transact business in this state to which  
9 he shall affix the other duplicate original application, and send the  
10 same to the corporation or its representative.

1 SEC. 109. **Effect of certificate of authority.** Upon the issuance of  
2 a certificate of authority by the secretary of state, the corporation  
3 shall be authorized to transact business in this state for those pur-  
4 poses set forth in its application, subject, however, to the right of

5 this state to suspend or to revoke such authority as provided in this  
6 Act.

1 SEC. 110. **Registered office and registered agent of foreign corpo-**  
2 **ration.** Each foreign corporation authorized to transact business in  
3 this state shall have and continuously maintain in this state:

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

6 2. A registered agent or agents which may be either an individual  
7 resident in this state whose business office is identical with such reg-  
8 istered office, or a domestic corporation, or a foreign corporation  
9 authorized to transact business in this state, having a business office  
10 identical with such registered office.

1 SEC. 111. **Change of registered office or registered agent of for-**  
2 **ign corporation.** A foreign corporation authorized to transact busi-  
3 ness in this state may change its registered office or change its reg-  
4 istered agent or agents, or both office and agent or agents, upon filing  
5 in the office of the secretary of state a statement setting forth:

6 1. The name of the corporation.

7 2. The address of its then registered office.

8 3. If the address of its registered office be changed, the address to  
9 which the registered office is to be changed.

10 4. The name of its then registered agent or agents.

11 5. If its registered agent or agents be changed, the name of its  
12 successor registered agent or agents.

13 6. That the address of its registered office and the address of the  
14 business office of its registered agent or agents, as changed, will be  
15 identical.

16 7. That such change was authorized by resolution duly adopted by  
17 its boards of directors.

18 Such statement shall be executed by the corporation by its presi-  
19 dent or a vice-president, and verified by him, and delivered to the  
20 secretary of state. If the secretary of state finds that such statement  
21 conforms to the provisions of this Act, he shall file such statement in  
22 his office, and upon such filing the change of address of the registered  
23 office, or the appointment of a new registered agent or agents, or  
24 both, as the case may be, shall become effective.

25 Any registered agent of a foreign corporation may resign as such  
26 agent upon filing a written notice thereof, executed in duplicate, with  
27 the secretary of state, who shall forthwith mail a copy thereof to the  
28 corporation at its principal office in the state or country under the  
29 laws of which it is incorporated. The appointment of such agent  
30 shall terminate upon the expiration of thirty days after receipt of  
31 such notice by the secretary of state.

1 SEC. 112. **Service of process on foreign corporation.** Each regis-  
2 tered agent so appointed by a foreign corporation authorized to  
3 transact business in this state shall be an agent of such corporation  
4 upon whom any process, notice or demand required or permitted by  
5 law to be served upon the corporation may be served.

6 Whenever a foreign corporation authorized to transact business in  
7 this state shall fail to appoint or maintain a registered agent in this  
8 state, or whenever any such registered agent cannot with reasonable  
9 diligence be found at the registered office, or whenever the certificate

10 of authority of a foreign corporation shall be suspended or revoked,  
11 then the secretary of state shall be an agent of such corporation upon  
12 whom any such process, notice, or demand may be served. Service  
13 on the secretary of state of any such process, notice or demand shall  
14 be made by delivering to and leaving with him, or with any clerk  
15 having charge of the corporation department of his office, duplicate  
16 copies of such process, notice or demand. In the event any such  
17 process, notice or demand is served on the secretary of state, he shall  
18 immediately cause one of such copies thereof to be forwarded by reg-  
19 istered or certified mail, addressed to the corporation at its principal  
20 office in the state or country under the laws of which it is incorpo-  
21 rated. Any service so had on the secretary of state shall be return-  
22 able in not less than thirty days.

23 The secretary of state shall keep a record of all processes, notices  
24 and demands served upon him under this section, and shall record  
25 therein the time of such service and his action with reference thereto.

26 Nothing herein contained shall limit or affect the right to serve  
27 any process, notice or demand, required or permitted by law to be  
28 served upon a corporation in any other manner now or hereafter per-  
29 mitted by law.

1 **SEC. 113. Amendment to articles of incorporation of foreign cor-**  
2 **poration.** Whenever the articles of incorporation of a foreign corpo-  
3 ration authorized to transact business in this state are amended, such  
4 foreign corporation shall, within thirty days after such amendment  
5 becomes effective, file in the office of the secretary of state a copy of  
6 such amendment duly certified by the proper officer of the state or  
7 country under the laws of which it is incorporated; but the filing  
8 thereof shall not of itself enlarge or alter the purpose or purposes  
9 which such corporation is authorized to pursue in the transaction of  
10 business in this state, nor authorize such corporation to transact  
11 business in this state under any other name than the name set forth  
12 in its certificate of authority.

1 **SEC. 114. Merger of foreign corporation authorized to transact**  
2 **business in this state.** Whenever a foreign corporation authorized to  
3 transact business in this state shall be a party to a statutory merger  
4 permitted by the laws of the state or country under the laws of which  
5 it is incorporated, and such corporation shall be the surviving cor-  
6 poration, it shall, within thirty days after such merger becomes effec-  
7 tive, file with the secretary of state a copy of the articles of merger  
8 duly certified by the proper officer of the state or country under the  
9 laws of which such statutory merger was effected; and it shall not be  
10 necessary for such corporation to procure either a new or amended  
11 certificate of authority to transact business in this state unless the  
12 name of such corporation be changed thereby or unless the corpora-  
13 tion desires to pursue in this state other or additional purposes than  
14 those which it is then authorized to transact in this state.

1 **SEC. 115. Amended certificate of authority.** A foreign corpora-  
2 tion authorized to transact business in this state shall procure an  
3 amended certificate of authority in the event it changes its corporate  
4 name, or desires to pursue in this state other or additional purposes  
5 than those set forth in its prior application for a certificate of author-  
6 ity, by making application therefor to the secretary of state.

7 The requirements in respect to the form and contents of such ap-  
8 plication, the manner of its execution, the filing of duplicate originals  
9 thereof with the secretary of state, the issuance of an amended cer-  
10 tificate of authority and the effect thereof, shall be the same as in the  
11 case of an original application for a certificate of authority.

1 **SEC. 116. Withdrawal of foreign corporation.** A foreign corpora-  
2 tion authorized to transact business in this state may withdraw from  
3 this state upon procuring from the secretary of the state a certificate  
4 of withdrawal. In order to procure such certificate of withdrawal,  
5 such foreign corporation shall deliver to the secretary of state an  
6 application for withdrawal, which shall set forth:

7 1. The name of the corporation and the state or country under the  
8 laws of which it is incorporated.

9 2. That the corporation is not transacting business in this state.

10 3. That the corporation surrenders its authority to transact busi-  
11 ness in this state.

12 4. That the corporation revokes the authority of its registered  
13 agent or agents in this state to accept service of process and consents  
14 that service of process in any action, suit or proceeding based upon  
15 any cause of action arising in this state during the time the corpora-  
16 tion was authorized to transact business in this state may thereafter  
17 be made on such corporation by service thereof on the secretary of  
18 state.

19 5. A post office address to which the secretary of state may mail a  
20 copy of any process against the corporation that may be served on  
21 him.

22 6. A statement of the aggregate number of shares which the cor-  
23 poration has authority to issue, itemized by classes, par value of  
24 shares, shares without par value, and series, if any, within a class,  
25 as of the date of such application.

26 7. A statement of the aggregate number of issued shares, itemized  
27 by classes, par value of shares, shares without par value, and series,  
28 if any, within a class, as of the date of such application.

29 8. A statement, expressed in dollars, of the amount of stated cap-  
30 ital of the corporation, as of the date of such application.

31 9. Such additional information as may be necessary or appropriate  
32 in order to enable the secretary of state to determine and assess any  
33 unpaid fees payable by such foreign corporation as in this Act pre-  
34 scribed.

35 The application for withdrawal shall be made on forms prescribed  
36 and furnished by the secretary of state and shall be executed by the  
37 corporation by its president or a vice-president and by its secretary  
38 or an assistant secretary, and verified by one of the officers signing  
39 the application, or, if the corporation is in the hands of a receiver or  
40 trustee, shall be executed on behalf of the corporation by such re-  
41 ceiver or trustee and verified by him.

1 **SEC. 117. Filing of application for withdrawal.** Duplicate origi-  
2 nals of such application for withdrawal shall be delivered to the sec-  
3 retary of state. If the secretary of state finds that such application  
4 conforms to the provisions of this Act, he shall, when all fees due  
5 him have been paid as in this Act prescribed:

- 6 1. Endorse on each of such duplicate originals the word "Filed",  
7 and the month, day and year of the filing thereof.  
8 2. File one of such duplicate originals in his office.  
9 3. Issue a certificate of withdrawal to which he shall affix the other  
10 duplicate original.  
11 The certificate of withdrawal, together with the duplicate original  
12 of the application for withdrawal affixed thereto by the secretary of  
13 state, shall be returned to the corporation or its representative. Upon  
14 the issuance of such certificate of withdrawal, the authority of the  
15 corporation to transact business in this state shall cease.

1 SEC. 118. **Revocation of certificate of authority.** The certificate  
2 of authority of a foreign corporation to transact business in this  
3 state may be revoked by the secretary of state upon the conditions  
4 prescribed in this section when:

- 5 1. The corporation has failed to file its annual report within the  
6 time required by this Act, or has failed to pay any fees or penalties  
7 prescribed by this Act when the same have become due and payable;  
8 or  
9 2. The corporation has failed to appoint and maintain a registered  
10 agent in this state as required by this Act; or  
11 3. The corporation has failed, after change of its registered office  
12 or registered agent, to file in the office of the secretary of state a  
13 statement of such change as required by this Act; or  
14 4. The corporation has failed to file in the office of the secretary of  
15 state any amendment to its articles of incorporation or any articles  
16 of merger within the time prescribed by this Act; or  
17 5. A misrepresentation has been made of any material matter in  
18 any application, report, affidavit, or other document submitted by  
19 such corporation pursuant to this Act.

20 No certificate of authority of a foreign corporation shall be re-  
21 voked by the secretary of state unless (a) he shall have given the  
22 corporation not less than sixty days' notice thereof by mail addressed  
23 to its registered office in this state, and (b) the corporation shall fail  
24 prior to revocation to file such annual report, or pay such fees or  
25 penalties, or file the required statement of change of registered agent  
26 or registered office, or file such articles of amendment or articles of  
27 merger, or correct such misrepresentation.

1 SEC. 119. **Issuance of certificate of revocation.** Upon revoking  
2 any such certificate of authority, the secretary of state shall:

- 3 1. Issue a certificate of revocation in duplicate.  
4 2. File one of such certificates in his office.  
5 3. Mail to such corporation at its registered office in this state a  
6 notice of such revocation accompanied by one of such certificates.  
7 Upon the issuance of such certificate of revocation, the authority of  
8 the corporation to transact business in this state shall cease.

1 SEC. 120. **Transacting business without certificate of authority.**  
2 No foreign corporation transacting business in this state without a  
3 certificate of authority shall be permitted to maintain any action, suit  
4 or proceeding in any court of this state, until such corporation shall  
5 have obtained a certificate of authority, nor shall any action, suit or  
6 proceeding be maintained in any court of this state by any succes-

7 sor or assignee of such corporation on any right, claim or demand  
8 arising out of the transaction of business by such corporation in this  
9 state, until a certificate of authority shall have been obtained by such  
10 corporation or by a corporation which has acquired all or substan-  
11 tially all of its assets; provided however that no foreign corporation  
12 transacting business in this state shall maintain any action, suit or  
13 proceeding in this state upon any contract made by it in this state  
14 prior to the effective date of this Act unless prior to the making of  
15 such contract it shall have procured a permit to transact business in  
16 this state as required by the laws in force at the time of making such  
17 contract, which prohibition shall also apply to any assignee of such  
18 foreign corporation and to any person claiming under such assignee  
19 of such foreign corporation or under either of them.

20 The failure of a foreign corporation to obtain a certificate of au-  
21 thority to transact business in this state shall not impair the validity  
22 of any contract or act of such corporation, and shall not prevent such  
23 corporation from defending any action, suit or proceeding in any  
24 court of this state.

25 A foreign corporation which transacts business in this state with-  
26 out a certificate of authority shall be liable to this state, for the years  
27 or parts thereof during which it transacted business in this state  
28 without a certificate of authority, in an amount equal to all fees  
29 which would have been imposed by this Act upon such corporation  
30 had it duly applied for and received a certificate of authority to trans-  
31 act business in this state as required by this Act and thereafter filed  
32 all reports required by this Act, plus all penalties imposed by this  
33 Act for failure to pay such fees. The attorney general shall bring  
34 proceedings to recover all amounts due this state under the provi-  
35 sions of this section. If any foreign corporation shall transact busi-  
36 ness in this state without a certificate of authority, it shall by trans-  
37 acting such business be deemed thereby to have appointed the  
38 secretary of state its attorney for service of process.

1 SEC. 121. Annual report of domestic and foreign corporations.  
2 Each domestic corporation, and each foreign corporation authorized  
3 to transact business in this state, shall file, within the time prescribed  
4 by this Act, an annual report setting forth:

5 1. The name of the corporation and the state or country under the  
6 laws of which it is incorporated.

7 2. The address of the registered office of the corporation in this  
8 state, and the name of its registered agent or agents in this state at  
9 such address, and, in the case of a foreign corporation, the address  
10 of its principal office in the state or country under the laws of which  
11 it is incorporated.

12 3. A brief statement of the character of the business in which the  
13 corporation is actually engaged in this state.

14 4. The names and respective addresses of the directors and officers  
15 of the corporation.

16 5. A statement of the aggregate number of shares which the cor-  
17 poration has authority to issue, itemized by classes, par value of  
18 shares, shares without par value, and series, if any, within a class.

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

22 7. A statement, expressed in dollars, of the amount of stated cap-  
23 ital of the corporation, as defined in this Act.

24 8. In the case of a foreign corporation, a statement, expressed in  
25 dollars, of the fair and reasonable value of all property employed  
26 and used in Iowa by the corporation. If the foreign corporation  
27 elects to pay the annual license fee on the basis of its entire stated  
28 capital, then the information required by this subparagraph need not  
29 be set forth in such report.

30 9. Such additional information as may be necessary or appropriate  
31 to enable the secretary of state to determine the proper amount of  
32 license fees payable by such corporation.

33 Such annual report shall be made on forms prescribed and fur-  
34 nished by the secretary of state, and the information therein con-  
35 tained shall be given as of the first day of January of the year in  
36 which the report is due. It shall be executed by the corporation by  
37 its president, a vice-president, secretary, an assistant secretary, or  
38 treasurer, and verified by the officer executing the report, or, if the  
39 corporation is in the hands of a receiver, trustee, or assignee for  
40 benefit of creditors, it shall be executed on behalf of the corporation  
41 and verified by such receiver, trustee or assignee.

1 **SEC. 122. Filing of annual report of domestic and foreign corpo-**  
2 **rations.** Such annual report of a domestic or foreign corporation  
3 shall be delivered to the secretary of state for filing in his office be-  
4 tween the first day of January and the first day of March of each  
5 year, except that the first annual report of a domestic or foreign cor-  
6 poration shall be filed between the first day of January and the first  
7 day of March of the year next succeeding the calendar year in which  
8 its certificate of incorporation or its certificate of authority, as the  
9 case may be, was issued by the secretary of state. Proof to the satis-  
10 faction of the secretary of state that prior to the first day of March  
11 such report was deposited in the United States mail in a sealed en-  
12 velope, properly addressed, with postage prepaid, shall be deemed a  
13 compliance with this requirement. If the secretary of state finds that  
14 such report conforms to the requirements of this Act, he shall file the  
15 same. If he finds that it does not so conform, he shall promptly return  
16 the same to the corporation for any necessary corrections, in which  
17 event the penalties hereinafter prescribed for failure to file such  
18 report within the time hereinabove provided shall not apply, if such  
19 report is corrected to conform to the requirements of this Act, and is  
20 resubmitted to the secretary of state within thirty days from the  
21 date on which it was mailed to the corporation by the secretary of  
22 state, but not later than July first of the year in which it is due.

1 **SEC. 123. Fees and charges to be collected by secretary of state.**  
2 The secretary of state shall charge and collect in accordance with  
3 the provisions of this Act:

- 4 1. Fees for filing documents and issuing certificates.
- 5 2. Miscellaneous charges.
- 6 3. License fees.

1 **SEC. 124. Fees for filing documents and issuing certificates.** The  
2 secretary of state shall charge and collect for:

- 3 1. Filing articles of incorporation and issuing a certificate of in-  
4 corporation, twenty dollars.
- 5 2. Filing articles of amendment and issuing a certificate of amend-  
6 ment, twenty dollars.
- 7 3. Filing restated articles of incorporation, twenty dollars.
- 8 4. Filing articles of merger or consolidation and issuing a certifi-  
9 cate of merger or consolidation, twenty dollars.
- 10 5. Filing an application to reserve a corporate name, five dollars.
- 11 6. Filing a notice of transfer of a reserved corporate name, five dol-  
12 lars.
- 13 7. Filing a statement of change of address of registered office or  
14 change of registered agent, or both, one dollar.
- 15 8. Filing a statement of the establishment of a series of shares,  
16 five dollars.
- 17 9. Filing a statement of cancellation of shares, five dollars.
- 18 10. Filing a statement of reduction of stated capital, five dollars.
- 19 11. Filing a statement of intent to dissolve, one dollar.
- 20 12. Filing a statement of revocation of voluntary dissolution pro-  
21 ceedings, one dollar.
- 22 13. Filing articles of dissolution, one dollar.
- 23 14. Filing an application of a foreign corporation for a certificate  
24 of authority to transact business in this state and issuing a certificate  
25 of authority, twenty dollars.
- 26 15. Filing an application of a foreign corporation for an amended  
27 certificate of authority to transact business in this state and issuing  
28 an amended certificate of authority, twenty dollars.
- 29 16. Filing a copy of an amendment to the articles of incorporation  
30 of a foreign corporation holding a certificate of authority to transact  
31 business in this state, ten dollars.
- 32 17. Filing a copy of articles of merger of a foreign corporation  
33 holding a certificate of authority to transact business in this state,  
34 twenty dollars.
- 35 18. Filing an application for withdrawal of a foreign corporation  
36 and issuing a certificate of withdrawal, five dollars.
- 37 19. Filing any other statement or report, except an annual report,  
38 of a domestic or foreign corporation, one dollar.
- 39 20. Recording any instrument, document, or paper, fifty cents per  
40 page.

- 1 SEC. 125. **Miscellaneous charges.** The secretary of state shall  
2 charge and collect:
- 3 1. For furnishing a certified copy of any document, instrument, or  
4 paper relating to a corporation, fifty cents per page and two dollars  
5 for the certificate and affixing the seal thereto; and for furnishing  
6 an uncertified copy, fifty cents per page.
- 7 2. At the time of any service of process on him as resident agent  
8 of a corporation, five dollars, which amount may be recovered as  
9 taxable costs by the party to the suit or action causing such service  
10 to be made if such party prevails in the suit or action.

- 1 SEC. 126. **Annual license fees payable by domestic corporations.**
- 2 At the time of filing its annual report, each domestic corporation
- 3 shall pay to the secretary of state an annual license fee for the cal-



4	endar year, which shall be due on January 1, payable March 1, to be				
5	based on its stated capital, as follows:				
6	STATED CAPITAL			FEE	
7			Not over	\$	20,000.
8	Over	\$	20,000.	but not over	40,000.
9	"		40,000.	but not over	60,000.
10	"		60,000.	but not over	80,000.
11	"		80,000.	but not over	100,000.
12	"		100,000.	but not over	150,000.
13	"		150,000.	but not over	200,000.
14	"		200,000.	but not over	250,000.
15	"		250,000.	but not over	300,000.
16	"		300,000.	but not over	350,000.
17	"		350,000.	but not over	400,000.
18	"		400,000.	but not over	500,000.
19	"		500,000.	but not over	600,000.
20	"		600,000.	but not over	700,000.
21	"		700,000.	but not over	800,000.
22	"		800,000.	but not over	900,000.
23	"		900,000.	but not over	1,000,000.
24	"		1,000,000.	but not over	2,500,000.
25	"		2,500,000.	but not over	5,000,000.
26	"		5,000,000.	but not over	10,000,000.
27	"		10,000,000.	but not over	50,000,000.
28	"		50,000,000.	but not over	100,000,000.
29	"		100,000,000.	but not over	200,000,000.
30	"		200,000,000.	but not over	300,000,000.
31	"		300,000,000.	but not over	500,000,000.
32	"		500,000,000.		3,000.

1 SEC. 127. Annual license fees payable by foreign corporations.  
 2 At the time of filing its annual report, each foreign corporation doing  
 3 business in this state shall pay to the secretary of state an annual  
 4 license fee for the calendar year, which shall be due on January 1,  
 5 payable March 1, to be based on the sum total of the fair and reason-  
 6 able value of all property employed and used in Iowa as of January 1  
 7 of the year in which the report is due, without deductions of sums  
 8 due and owing by said foreign corporation. The annual license fee  
 9 to be paid by said foreign corporation shall be based upon the sum so  
 10 computed which shall be considered the stated capital in this state  
 11 for the purpose of said annual license fee, and the fees to be paid  
 12 thereon shall be computed by applying the schedule of annual license  
 13 fees as in this Act prescribed for domestic corporations.

14 A foreign corporation shall have the option, if it so elects, to pay  
 15 its annual license fee upon its total stated capital, and said fee shall  
 16 be computed by applying the schedule of annual license fees as in  
 17 this Act prescribed for domestic corporations.

18 The minimum annual license fee shall be five dollars.

1 SEC. 128. Collection of annual license fees. It shall be the duty  
 2 of the secretary of state to collect all annual license fees and penal-  
 3 ties imposed by, or assessed in accordance with, this Act.

4 Between the first day of March and the first day of June of each  
 5 year, the secretary of state shall determine the annual license fee

6 payable by each corporation, domestic and foreign, required to file  
7 an annual report in such year, and if any such corporation has failed  
8 to file its annual report within the time prescribed by this Act, or has  
9 failed to pay the amount of the annual license fee so determined,  
10 shall assess against such corporation the unpaid annual license fee  
11 and the penalty or penalties prescribed by this Act; and mail a writ-  
12 ten notice to each corporation against which such an assessment is  
13 made, addressed to such corporation at its registered office in this  
14 state, notifying the corporation (1) of the amount of additional li-  
15 cense fee and penalty assessed against it; (2) that objections, if any,  
16 to such assessment shall be filed on or before the fifteenth day of June  
17 of such year; and (3) that such license fee and penalty shall be pay-  
18 able to the secretary of state on the first day of July next succeeding  
19 the date of the notice. Failure to receive such notice shall not relieve  
20 the corporation of its obligations to pay the license fee and penalty  
21 assessed, or invalidate the assessment thereof. The secretary of state  
22 shall have the power to hear and determine objections to any such  
23 assessment and, after hearing to change and modify the same. In  
24 the event of any adjustment, the penalty shall be adjusted in ac-  
25 cordance with the provisions of this Act imposing such penalty. If  
26 the annual license fee determined to be payable shall be less than the  
27 amount theretofore paid by the corporation thereon, the excess shall  
28 be refunded, without interest by the secretary of state.

29 All annual license fees shall be due and payable on the first day of  
30 March of each year, and all assessments of annual license fees and  
31 penalties made by the secretary of state shall be due and payable on  
32 the first day of July. If the annual license fee payable by any corpora-  
33 tion under the provisions of this Act, together with all penalties as-  
34 sessed thereon, shall not be paid to the secretary of state on or before  
35 the thirty-first day of July of the year in which such fee is due and  
36 payable, the secretary of state shall certify such fact to the attorney  
37 general on or before the first day of November of such year, where-  
38 upon the attorney general may institute an action against such corpo-  
39 ration in the name of this state, in any court of competent jurisdiction,  
40 for the recovery of the amount of such license fee and penalties, to-  
41 gether with the cost of suit, and prosecute the same to final judgment.

42 For the purpose of enforcing collection, all annual license fees as-  
43 sessed in accordance with this Act, and all penalties assessed thereon  
44 and all interest and costs that shall accrue in connection with the  
45 collection thereof, shall be a prior and first lien on the real and per-  
46 sonal property of the corporation from and including the first day of  
47 July of the year when such license fees become due and payable until  
48 such fees, penalties, interest, and costs have been paid.

1 SEC. 129. Credit against annual license fees. Each domestic and  
2 foreign corporation which within twenty years prior to the effective  
3 date of this Act has paid a fee or fees to the secretary of state for the  
4 purposes hereinafter mentioned shall be entitled to a credit against  
5 annual license fees becoming due from such corporation pursuant to  
6 the provisions of this Act, to be allowed and made available as here-  
7 inafter provided.

8 1. The fees on which said credit is based shall be, for each domestic  
9 corporation including each such corporation organized with a term of  
10 fifty years for the construction and operation or the operation alone

11 of a steam railway, interurban railway or a street railway the total of  
12 all fees set forth in paragraphs "a" to "e" below, inclusive, excluding  
13 therefrom those set forth in paragraphs "f" to "i" below, inclusive:

14 a. All fees paid to the secretary of state within twenty years prior  
15 to the effective date of this Act by each such corporation as incor-  
16 poration fees and fees for increase of capital stock paid pursuant to  
17 section four hundred ninety-one point eleven (491.11) of the Code;

18 b. Filing fees for the filing of amendments increasing capital stock  
19 which fees were computed on the basis of the amount of increase of  
20 capital stock and which were paid pursuant to section four hundred  
21 ninety-one point twenty (491.20) of the Code;

22 c. Fees paid pursuant to section four hundred ninety-one point  
23 twenty (491.20) of the Code by a corporation which was organized  
24 for a term of years and which became entitled to perpetual existence  
25 by an amendment to its articles of incorporation which amendment  
26 was filed under the authority of said section four hundred ninety-one  
27 point twenty (491.20) of the Code;

28 d. Periodic fees paid pursuant to section four hundred ninety-one  
29 point thirty (491.30) of the Code; and

30 e. Renewal fees referred to in section four hundred ninety-one  
31 point twenty-five (491.25) and in section four hundred ninety-one  
32 point twenty-eight (491.28) of the Code which were paid in connec-  
33 tion with the filing of an instrument or certificate which extended or  
34 renewed, for a term of years or perpetually, the existence of a cor-  
35 poration which previously had existence for a term of years, exclud-  
36 ing, however, those fees mentioned in paragraph "i" below.

37 The following fees shall be excluded from those on which said  
38 credit is based:

39 f. That portion of all fees paid to the secretary of state as record-  
40 ing fees or certificate fees;

41 g. Fees paid for renewal pursuant to the provisions of section two  
42 (2) of chapter forty-seven of the laws of the Fifty-seventh General  
43 Assembly;

44 h. All incorporation fees and other fees paid to the secretary of  
45 state prior to the last renewal or extension of corporate existence by  
46 a domestic corporation which both incorporated and renewed or ex-  
47 tended its corporate existence within twenty years prior to the effec-  
48 tive date of this Act; and

49 i. That portion of all fees paid pursuant to section four hundred  
50 ninety-one point twenty-eight (491.28) of the Code constituting the  
51 penalty of ten per cent required to be paid by a corporation, the exist-  
52 ence of which has expired, and which has failed to renew its existence  
53 within the period prescribed by statute.

54 2. The fees on which said credit is based shall be, for each foreign  
55 corporation including those having a permit in this state for a term  
56 of fifty years for the construction and operation or the operation  
57 alone of a steam railway, interurban railway or street railway, the  
58 total of all fees set forth in paragraphs "a" to "c" below, inclusive,  
59 excluding therefrom those set forth in paragraphs "d" and "e"  
60 below:

61 a. All fees paid to the secretary of state pursuant to section four  
62 hundred ninety-four point four (494.4) of the Code within twenty  
63 years prior to the effective date of this Act by each such corporation

as filing fees in connection with the qualification in this state of such corporation;

b. Renewal fees referred to in section four hundred ninety-four point eight (494.8) of the Code which were paid to the secretary of state within twenty years prior to the effective date of this Act in connection with the requalification of a foreign corporation; and

c. All fees paid to the secretary of state pursuant to section four hundred ninety-four point five (494.5) of the Code within twenty years prior to the effective date of this Act by each such corporation for increase of money or property in use in this state.

The following fees shall be excluded from those on which said credit is based:

d. All qualification fees paid pursuant to section four hundred ninety-four point four (494.4) of the Code, all requalification fees paid pursuant to section four hundred ninety-four point eight (494.8) and all fees for increase of money or property in use in this state paid to the secretary of state pursuant to section four hundred ninety-four point five (494.5), prior to the last qualification or prior to the last requalification as the case may be, by a foreign corporation which has qualified or requalified more than once in the last twenty years prior to the effective date of this Act or which has both qualified and requalified within the last twenty years prior to the effective date of this Act; and

e. Fees paid for renewal pursuant to the provisions of section three (3) of chapter forty-seven of the laws of the Fifty-seventh General Assembly.

3. The credit shall be computed as follows:

a. As to each domestic corporation having existence for a term of years and as to each domestic corporation having perpetual existence but required by section four hundred ninety-one point thirty (491.30) of the Code to pay periodic fees every twenty years or every fifty years, and as to each foreign corporation the total amount of said credit shall be one-twentieth of the fees upon which said credit is based, as defined in subsections 1 or 2 above, as the case may be, multiplied by the number of full calendar years remaining between the year in which this Act became effective and the year in which but for the adoption of this Act, the corporation would again be required, if a domestic corporation organized for a term of years, to renew its existence and pay renewal fees under section four hundred ninety-one point twenty-five (491.25) of the Code or if a domestic corporation having perpetual existence be required to pay periodic fees under section four hundred ninety-one point thirty (491.30) or if a foreign corporation be required to requalify and pay fees therefor under section four hundred ninety-four point eight (494.8), subject to the limitation, however, that as to each domestic and foreign corporation organized for the construction and operation or the operation alone of a steam railway, interurban railway or street railway having a term of fifty years in this state or having a permit to transact business in this state for fifty years as the case may be, the amount of said credit shall not in any case be more than one-twentieth of the fees upon which said credit is based as defined in subsections 1 or 2 above multiplied by twenty.

b. Upon this Act becoming effective, the secretary of state shall

117 compute for each domestic and foreign corporation the total amount  
118 of said credit to which it is entitled under this section and shall enter  
119 the amount thereof on the records in his office relating to each such  
120 corporation.

121 c. Each year the secretary of state in determining the annual li-  
122 cense fee payable by each corporation, domestic and foreign, without  
123 request by said corporation, shall apply against such annual license  
124 fee the remaining unused total credit to which such corporation is  
125 entitled or a portion thereof subject to the following limitations:

126 (1) The maximum amount of any such credit that may be applied  
127 against such annual license fee becoming due in any one year shall  
128 be an amount equal to fifty per cent of the annual license fee becom-  
129 ing due from such domestic or foreign corporation in said year.

130 (2) The credit herein provided for may not be applied to the  
131 extent that it would reduce the annual license fee below the minimum  
132 of five dollars.

133 (3) The credit herein provided for shall be allowed only against  
134 annual license fees coming due under this Act and paid to the sec-  
135 retary of state within twenty years after the effective date of this  
136 Act.

137 (4) The credit herein provided for shall not be allowed against any  
138 portion of an annual license fee representing a penalty, whether the  
139 same be a penalty for failure to file annual report within the time  
140 prescribed by this Act or a penalty for failure to pay annual license  
141 fee prior to delinquency thereof.

1 SEC. 130. Penalties imposed upon corporations. Each corpora-  
2 tion, domestic or foreign, that fails or refuses to file its annual  
3 report for any year within the time prescribed by this Act, shall be  
4 subject to a penalty of ten per cent of the amount of the annual  
5 license fee determined by the secretary of state to be due and pay-  
6 able by such corporation for the period beginning January first of  
7 the year in which such report should have been filed. If the amount  
8 of the annual license fee originally determined by the secretary of  
9 state shall thereafter be adjusted in accordance with the provisions  
10 of this Act, the amount of the penalty shall be likewise adjusted to  
11 ten per cent of the amount of the adjusted license fee. In no event  
12 shall such penalty be less than five dollars. The amount of the license  
13 fee and the amount of the penalty shall be separately stated in any  
14 notice to the corporation with respect thereto.

15 If any portion of the annual license fee determined to be payable  
16 in accordance with the provisions of this Act, shall not have been  
17 paid on or before the first day of March, the same shall be deemed  
18 to be delinquent and there shall be added a penalty of one per cent  
19 for each month or part of month that the same is delinquent, com-  
20 mencing with the month of April.

21 Each corporation, domestic or foreign, that fails or refuses to  
22 answer truthfully and fully within the time prescribed by this Act  
23 interrogatories propounded by the secretary of state in accordance  
24 with the provisions of this Act, shall be deemed to be guilty of a  
25 misdemeanor and upon conviction thereof may be fined in any  
26 amount not exceeding five hundred dollars.

1     **SEC. 131. Penalties imposed upon officers and directors.** Each  
2 officer and director of a corporation, domestic or foreign, who wil-  
3 fully fails or refuses within the time prescribed by this Act to answer  
4 truthfully and fully reasonable and proper interrogatories pro-  
5 pounded to him by the secretary of state in accordance with the  
6 provisions of this Act, or who signs any articles, statement, report,  
7 application or other document filed with the secretary of state which  
8 is known to such officer or director to be false in any material  
9 respect, shall be deemed to be guilty of a misdemeanor, and upon  
10 conviction thereof may be fined in any amount not exceeding five  
11 hundred dollars.

1     **SEC. 132. Interrogatories by secretary of state.** The secretary of  
2 state may propound to any corporation, domestic or foreign, subject  
3 to the provisions of this Act, and to any officer or director thereof,  
4 such interrogatories as may be reasonably necessary and proper to  
5 enable him to ascertain whether such corporation has complied with  
6 all the provisions of this Act applicable to such corporation. Such  
7 interrogatories shall be answered within thirty days after the mail-  
8 ing thereof, or within such additional time as shall be fixed by the  
9 secretary of state, and the answers thereto shall be full and complete  
10 and shall be made in writing and under oath. If such interrogatories  
11 be directed to an individual they shall be answered by him, and if  
12 directed to a corporation, they shall be answered by the president,  
13 vice-president, treasurer, assistant treasurer, secretary or assistant  
14 secretary thereof. The secretary of state need not file any document  
15 to which such interrogatories relate until such interrogatories be  
16 answered as herein provided, and not then if the answers thereto  
17 disclose that such document is not in conformity with the provisions  
18 of this Act. The secretary of state shall certify to the attorney gen-  
19 eral, for such action as the attorney general may deem appropriate,  
20 all interrogatories and answers thereto which disclose a violation of  
21 any of the provisions of this Act.

1     **SEC. 133. Information disclosed by interrogatories.** Interroga-  
2 tories propounded by the secretary of state and the answers thereto  
3 shall not be open to public inspection nor shall the secretary of state  
4 disclose any facts or information obtained therefrom except insofar  
5 as required in the performance of his official duties.

1     **SEC. 134. Powers of secretary of state.** The secretary of state  
2 shall have the power and authority reasonably necessary to enable  
3 him to administer this Act efficiently and to perform the duties  
4 therein imposed upon him.

1     **SEC. 135. Appeal from secretary of state.** If the secretary of  
2 state shall fail to approve any articles of incorporation, amendment,  
3 merger, consolidation or dissolution, or any other document required  
4 by this Act to be approved by the secretary of state before the same  
5 shall be filed in his office, he shall, within ten days after the delivery  
6 thereof to him, give written notice of his disapproval to the person  
7 or corporation, domestic or foreign, delivering the same, specifying  
8 the reasons therefor. From such disapproval such person or corpora-  
9 tion may appeal to the district court of the county in which the reg-  
10 istered office of such corporation is, or is proposed to be, situated by

11 filing with the clerk of such court a petition setting forth a copy of  
12 the articles or other document sought to be filed and a copy of the  
13 written disapproval thereof by the secretary of state; whereupon the  
14 matter shall be tried de novo by the court, and the court shall either  
15 sustain the action of the secretary of state or direct him to take such  
16 action as the court may deem proper.

17 If the secretary of state shall revoke the certificate of authority to  
18 transact business in this state of any foreign corporation, pursuant  
19 to the provisions of this Act, such foreign corporation may likewise  
20 appeal to the district court of the county where the registered office  
21 of such corporation in this state is situated, by filing with the clerk  
22 of such court a petition setting forth a copy of its certificate of au-  
23 thority to transact business in this state and a copy of the notice of  
24 revocation given by the secretary of state; whereupon the matter  
25 shall be tried de novo by the court, and the court shall either sustain  
26 the action of the secretary of state or direct him to take such action  
27 as the court may deem proper.

28 Appeals from all final orders and judgments entered by the district  
29 court under this section in review of any ruling or decision of the  
30 secretary of state may be taken as in other civil actions.

1 **SEC. 136. Certificates and certified copies to be received in evi-**  
2 **dence.** All certificates issued by the secretary of state in accordance  
3 with the provisions of this Act, and copies of all documents filed or  
4 recorded in his office in accordance with the provisions of this Act  
5 when certified by him, shall be taken and received in all courts, public  
6 offices, and official bodies as prima-facie evidence of the facts therein  
7 stated. A certificate by the secretary of state under the seal of his  
8 office, as to the existence or nonexistence of the facts relating to cor-  
9 porations which would not appear from a certified copy of any of the  
10 foregoing documents or certificates shall be taken and received in all  
11 courts, public offices, and official bodies as prima-facie evidence of  
12 the existence or nonexistence of the facts therein stated.

1 **SEC. 137. Forms to be furnished by secretary of state.** All re-  
2 ports required by this Act to be filed in the office of the secretary of  
3 state shall be made on forms which shall be prescribed and furnished  
4 by the secretary of state. Forms for other documents to be filed in  
5 the office of the secretary of state may be furnished by the secretary  
6 of state on request therefor, but the use thereof, unless otherwise  
7 specifically prescribed in this Act, shall not be mandatory.

1 **SEC. 138. Voting requirements.** Whenever, with respect to any  
2 action to be taken by the shareholders of a corporation, the articles  
3 of incorporation require the vote or concurrence of the holders of a  
4 greater or lesser proportion of the shares, or of any class or series  
5 thereof, than required by this Act with respect to such action, the  
6 provisions of the articles of incorporation shall control.

1 **SEC. 139. Waiver of notice.** Whenever any notice is required to  
2 be given to any shareholder or director of a corporation under the  
3 provisions of this Act or under the provisions of the articles of incor-  
4 poration or bylaws of the corporation, a waiver thereof in writing  
5 signed by the person or persons entitled to such notice, whether be-

6 fore or after the time stated therein, shall be equivalent to the giving  
7 of such notice.

1 **SEC. 140. Informal action by shareholders or directors.** Any  
2 action required by this Act to be taken at a meeting of the share-  
3 holders or directors of a corporation, or any action which may be  
4 taken at a meeting of the shareholders or directors or of a committee  
5 of directors, may be taken without a meeting if a consent in writing  
6 setting forth the action so taken, shall be signed by all of the share-  
7 holders entitled to vote with respect to the subject matter thereof or  
8 all of the directors or all of the members of the committee of direc-  
9 tors, as the case may be. Such consent shall have the same force and  
10 effect as a unanimous vote and may be stated as such in any articles  
11 or document filed with the secretary of state under this Act. The  
12 provisions of this section shall be applicable whether or not this Act  
13 requires that an action be taken by resolution.

1 **SEC. 141. Unauthorized assumption of corporate powers.** All per-  
2 sons who assume to act as a corporation without authority so to do  
3 shall be jointly and severally liable for all debts and liabilities in-  
4 curred or arising as a result thereof.

1 **SEC. 142. Application to existing corporations.**

2 1. Except for this subsection, this Act shall not apply to or affect  
3 corporations subject to the provisions of chapters one hundred  
4 seventy-four (174), one hundred seventy-six (176), four hundred  
5 eighty-two (482), four hundred ninety-seven (497), four hundred  
6 ninety-eight (498), four hundred ninety-nine (499), four hundred  
7 ninety-nine A (499A), five hundred four (504), five hundred six  
8 (506), five hundred eight (508), five hundred ten (510), five hun-  
9 dred twelve (512), five hundred fourteen (514), five hundred fifteen  
10 (515), five hundred eighteen (518), five hundred nineteen (519),  
11 five hundred twenty-six (526), five hundred twenty-seven (527),  
12 five hundred twenty-eight (528), five hundred twenty-eight B  
13 (528B), five hundred thirty-one (531), five hundred thirty-two  
14 (532), five hundred thirty-three (533), five hundred thirty-four  
15 (534) of the Code. Such corporations shall continue to be governed  
16 by all laws of this state heretofore applicable thereto and as the same  
17 may hereafter be amended. This Act shall not be construed as in  
18 derogation of or as a limitation on the powers to which such corpora-  
19 tions may be entitled.

20 2. This Act shall not apply to any domestic corporation organized  
21 under the provisions of chapter four hundred ninety-one (491) of  
22 the Code nor, for a period of two years from and after the effective  
23 date of this Act, to any foreign corporation holding a permit under  
24 the provisions of chapter four hundred ninety-four (494) of the Code  
25 or pursuant to the provisions of chapter four hundred ninety-five  
26 (495) of the Code on the date this Act becomes effective, unless such  
27 domestic corporation or such foreign corporation shall voluntarily  
28 elect to adopt the provisions of this Act and shall comply with the  
29 procedure prescribed by the provision of subsection three (3) of  
30 this section.

31 3. Any domestic corporation existing as of the effective date of  
32 this Act or thereafter organized under the provisions of chapter four



33 hundred ninety-one (491) of the Code may voluntarily elect to adopt  
34 the provisions of this Act and thereby become subject to its provi-  
35 sions and, during the period of two years from and after the effective  
36 date of this Act, any foreign corporation holding a permit under the  
37 provisions of chapter four hundred ninety-four (494) of the Code or  
38 pursuant to the provisions of chapter four hundred ninety-five (495)  
39 of the Code on said date may voluntarily elect to adopt the provisions  
40 of this Act and thereby become subject to the provisions of this Act.  
41 The procedure for electing to adopt the provisions of this Act shall  
42 be as follows:

43     a. As to domestic corporations, a resolution reciting that the cor-  
44 poration voluntarily adopts this Act and designating the address of  
45 its initial registered office and the name of its registered agent or  
46 agents at such address and, if the name of the corporation does not  
47 contain such a word or abbreviation as is required by this Act,  
48 amending the articles of incorporation of the corporation to change  
49 the name of the corporation to one complying with the requirements  
50 of this Act, shall be adopted by the board of directors and sharehold-  
51 ers by the procedure prescribed by this Act for the amendment of  
52 articles of incorporation. As to foreign corporations, a resolution  
53 shall be adopted by the board of directors, reciting that the corpora-  
54 tion voluntarily adopts this Act, and designating the address of its  
55 registered office in this state and the name of its registered agent or  
56 agents at such address and, if the name of the corporation does not  
57 contain such a word or abbreviation as is required by this Act, set-  
58 ting forth the name of the corporation with the word or abbreviation  
59 conforming to the requirements of this Act which it elects to add  
60 thereto for use in this state.

61     b. Upon adoption of the required resolution or resolutions, an  
62 instrument shall be executed by the corporation by its president or  
63 a vice-president and by its secretary or an assistant secretary and  
64 verified by one of the officers signing the instrument, which shall set  
65 forth:

66         (1) The name of the corporation;

67         (2) Each such resolution adopted by the corporation and the date  
68 of adoption thereof.

69     c. As to domestic corporations such instrument shall be delivered  
70 to the secretary of state for filing and recording in his office, and the  
71 same shall be filed and recorded in the office of the county recorder.  
72 The corporation shall at the time it files such instrument with the  
73 secretary of state deliver also to the secretary of state for filing in  
74 his office any annual report which is then due.

75     If the county of the initial registered office as stated in such instru-  
76 ment is one which is other than the county wherein the principal  
77 place of business of such corporation, as theretofore designated in  
78 its articles of incorporation, was located, the secretary of state shall  
79 forward also to the county recorder of the county in which the said  
80 principal place of business of said corporation was located a copy of  
81 such instrument and he shall forward to the recorder of the county  
82 in which the initial registered office of such corporation is located,  
83 in addition to the original of such instrument, a copy of the articles  
84 of incorporation of said corporation together with all amendments  
85 thereto as then on file in his office.

86 d. As to foreign corporations, such instrument shall be delivered  
87 to the secretary of state for filing in his office and the corporation  
88 shall at the same time deliver also to the secretary of state for filing  
89 in his office any annual report which is then due.

90 e. Upon the filing of such instrument by a domestic or foreign  
91 corporation:

92 (1) All of the provisions of this Act shall thereafter apply to the  
93 corporation, and thereupon every such foreign corporation subject  
94 to the limitations set forth in its certificate of authority, shall be en-  
95 titled to all the rights and privileges applicable to foreign corpora-  
96 tions procuring certificates of authority to transact business in this  
97 state under this Act, and shall be subject to all the limitations, re-  
98 strictions, liabilities, and duties prescribed herein for foreign cor-  
99 porations procuring certificates of authority to transact business in  
100 this state under this Act.

101 (2) The secretary of state shall issue a certificate as to the filing  
102 of such instrument and deliver such certificate to the corporation or  
103 its representative.

104 (3) The secretary of state shall not file such instrument with  
105 respect to a domestic corporation unless at the time thereof such  
106 corporation is validly existing and in good standing in that office  
107 under the provisions of chapter four hundred ninety-one (491) of  
108 the Code.

109 4. The provisions of this Act becoming applicable to any domestic  
110 or foreign corporation shall not affect any right accrued or estab-  
111 lished, or any liability or penalty incurred, under the provisions of  
112 chapters four hundred ninety-one (491), four hundred ninety-four  
113 (494) or four hundred ninety-five (495) of the Code prior to the  
114 filing by the secretary of state in his office of the instrument mani-  
115 festing the election by such corporation to adopt the provisions of  
116 this Act as provided in subsection three (3) of this section.

117 5. Except for the exceptions and limitations of subsection one (1)  
118 of this section, this Act shall apply only to domestic corporations  
119 organized under this Act; domestic corporations existing as of the  
120 effective date of this Act or thereafter organized under chapter four  
121 hundred ninety-one (491) of the Code which voluntarily elect to  
122 adopt the provisions of this Act and comply with the provisions of  
123 subsection three (3) of this section; all foreign corporations trans-  
124 acting or seeking to transact business within this state and not hold-  
125 ing, on the effective date of this Act, a valid permit so to do; foreign  
126 corporations holding, on the date the Act becomes effective, a valid  
127 permit under the provisions of chapter four hundred ninety-four  
128 (494) of the Code or pursuant to the provisions of chapter four hun-  
129 dred ninety-five (495) of the Code which, during the period of two  
130 years from and after the effective date of this Act, voluntarily elect  
131 to adopt the provisions of this Act and comply with the provisions  
132 of subsection three (3) of this section; and, upon the expiration of  
133 the period of two years from and after the effective date of this Act,  
134 all foreign corporations holding such a permit on the effective date  
135 of this Act.

136 6. Upon the expiration of a period of two years from and after the  
137 date on which this Act becomes effective, except for the exceptions  
138 and limitations of subsection one (1) of this section, this Act shall

139 apply to all foreign corporations transacting or seeking to transact  
140 business within this state. Those foreign corporations holding a valid  
141 permit to do business in this state at the time this Act becomes effective,  
142 which have not meanwhile adopted this Act by complying with  
143 the provisions of subsection three (3) of this section, shall at the  
144 expiration of two years from and after the effective date of this Act  
145 be deemed to have elected to adopt this Act by not voluntarily withdrawing  
146 from the state, and thereupon, every such foreign corporation,  
147 subject to the limitations set forth in its certificate of authority,  
148 shall be entitled to all the rights and privileges applicable to  
149 foreign corporations procuring certificates of authority to transact  
150 business in this state under this Act, and shall be subject to all the  
151 limitations, restrictions, liabilities, and duties prescribed herein for  
152 foreign corporations procuring certificates of authority to transact  
153 business in this state under this Act.

154 7. Within eight months after this Act becomes applicable to any  
155 foreign corporation pursuant to the provisions of subsection six (6)  
156 of this section, the board of directors of such foreign corporation  
157 shall adopt a resolution designating the address of its registered  
158 office in this state and the name of its registered agent or agents at  
159 such address and, if the name of such corporation does not contain  
160 such a word or abbreviation as is required by this Act, setting forth  
161 the name of the corporation with the word or abbreviation conforming  
162 to the requirements of this Act which it elects to add thereto for  
163 use in this state.

164 Upon adoption of the required resolution or resolutions, an instrument  
165 or instruments shall be executed by the foreign corporation by  
166 its president or a vice-president and by its secretary or an assistant  
167 secretary and verified by one of the officers signing such instrument,  
168 which shall set forth the name of the corporation, each resolution  
169 adopted as required by the provisions of this subsection, and the  
170 date of the adoption thereof. Such instrument shall be delivered to  
171 the secretary of state for filing in his office. Upon the filing of such  
172 instrument by a foreign corporation the secretary of state shall issue  
173 a certificate as to the filing of such instrument and deliver such certificate  
174 to the corporation or its representative. The secretary of  
175 state shall not file any annual report of any foreign corporation subject  
176 to the provisions of this subsection unless and until said corporation  
177 has fully complied with the provisions of this paragraph and,  
178 in such event, such foreign corporation shall be subject to the penalties  
179 prescribed in this Act for failure to file such report within the  
180 time as provided therefor in this Act.

181 8. The first annual report required to be filed by a domestic or  
182 foreign corporation under the provisions of this Act shall be filed  
183 between January 1 and March 1 of the year next succeeding the calendar  
184 year in which it becomes subject to this Act.

185 9. No corporation to which the provisions of this Act apply shall  
186 be subject to the provisions of chapters four hundred ninety-one  
187 (491), four hundred ninety-two (492), four hundred ninety-three  
188 (493), four hundred ninety-four (494), four hundred ninety-five  
189 (495), or four hundred ninety-six (496) of the Code.

190 10. Except as otherwise provided in this section, existing corporations  
191 shall continue to be governed by the laws of this state here-

192 tofore applicable thereto and each domestic corporation organized  
193 under the provisions of chapter four hundred ninety-one (491) of  
194 the Code shall be governed by the provisions thereof unless and until  
195 such corporation shall have elected to adopt the provisions of this Act  
196 and shall have complied with the provisions of subsection three (3)  
197 of this section.

198 11. If any domestic corporation, organized under the provisions of  
199 chapter four hundred ninety-one (491) of the Code and becoming  
200 subject to the provisions of this Act, the articles of incorporation of  
201 which provide for a duration of a fixed number of years, shall amend  
202 its articles of incorporation to change its period of duration, then  
203 those shareholders voting for such amendment shall purchase at the  
204 real value thereof the shares voted against such amendment, and  
205 shall have three years from the date such amendment becomes effective  
206 in which to purchase and pay for the shares voting against such  
207 amendment, which purchase price shall bear interest at the rate of  
208 five per cent (5%) per annum from the date such amendment be-  
209 comes effective until paid. The right of a dissenting shareholder to  
210 be paid the real value of his shares as herein provided shall cease if  
211 and when the shareholders shall rescind the action taken to change  
212 the period of duration of the corporation prior to the filing of the  
213 articles of amendment to its articles of incorporation to effect such  
214 amendment. The provisions of this subsection shall apply only to the  
215 first amendment changing the duration of such corporation after this  
216 Act becomes effective and not to any subsequent amendments chang-  
217 ing such duration. Nothing in this subsection shall prevent any cor-  
218 poration having a limited period of duration from providing in its  
219 articles of incorporation that if such corporation shall amend its  
220 articles of incorporation to change its period of duration, those share-  
221 holders voting for such amendment shall purchase the shares voted  
222 against such amendment, at such price, but not less than the real  
223 value thereof, and upon such terms and conditions as shall be pre-  
224 scribed in the articles of incorporation or determined in the manner  
225 provided in the articles of incorporation.

1 SEC. 143. **Application to foreign and interstate commerce.** The  
2 provisions of this Act shall apply to commerce with foreign nations  
3 and among the several states only in so far as the same may be per-  
4 mitted under the provisions of the Constitution of the United States.

1 SEC. 144. **Reservation of power.** The general assembly shall at all  
2 times have power to prescribe such regulations, provisions and limi-  
3 tations as it may deem advisable, which regulations, provisions and  
4 limitations shall be binding upon any and all corporations subject to  
5 the provisions of this Act, and the general assembly shall have power  
6 to amend, repeal or modify this Act at pleasure.

1 SEC. 145. **Political contributions prohibited.** It shall be unlawful  
2 for any corporation doing business within the state, or any officer,  
3 agent, or representative thereof acting for such corporation, to give  
4 or contribute any money, property, labor, or thing of value, directly  
5 or indirectly, to any member of any political committee, political  
6 party, or employee or representative thereof, or to any candidate for  
7 any public office or candidate for nomination to any public office or  
8 to the representative of such candidate, for campaign expenses or

9 for any political purpose whatsoever, or to any person, partnership,  
10 or corporation for the purpose of influencing or causing such per-  
11 son, partnership, or corporation to influence any elector of the state  
12 to vote for or against any candidate for public office or for nomina-  
13 tion for public office or to any public officer for the purpose of influ-  
14 encing his official action, but nothing in this section shall be con-  
15 strued to restrain or abridge the liberty of the press or prohibit the  
16 consideration and discussion therein of candidacies, nominations, pub-  
17 lic officers, or political questions.

18 It shall be unlawful for any member of any political committee,  
19 political party, or employee or representative thereof, or candidate  
20 for any office or the representative of such candidate, to solicit, re-  
21 quest, or knowingly receive from any corporation or any officer,  
22 agent, or representative thereof, any money, property, or thing of  
23 value belonging to such corporation, for campaign expenses or for  
24 any political purpose whatsoever.

25 Any person convicted of a violation of any of the provisions of this  
26 section shall be punished by imprisonment in the county jail not less  
27 than six months or more than one year and, in the discretion of the  
28 court, by a fine not exceeding ten hundred dollars.

1 SEC. 146. Effect of invalidity of part of this Act. If a court of  
2 competent jurisdiction shall adjudge to be invalid or unconstitutional  
3 any clause, sentence, paragraph, section or part of this Act, such  
4 judgment or decree shall not affect, impair, invalidate or nullify the  
5 remainder of this Act, but the effect thereof shall be confined to the  
6 clause, sentence, paragraph, section or part of this Act so adjudged  
7 to be invalid or unconstitutional.

Approved April 22, 1959.

## CHAPTER 322

### FOREIGN CORPORATIONS

#### H. F. 525

AN ACT to amend section four hundred ninety-nine point fifty-four (499.54), Code 1958, relating to the admission of foreign corporations and fixing the fees therefor.

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

1 SECTION 1. Section four hundred ninety-nine point fifty-four  
2 (499.54), Code 1958, is amended by striking from the last paragraph  
3 thereof the figures "449.45." and substituting in lieu thereof the  
4 following:

5 "494.5. Foreign corporations shall also file statements and pay fees  
6 otherwise prescribed by said section four hundred ninety-four point  
7 five (494.5)."

Approved May 15, 1959.