

14 under oath whether or not all shareholders, directors, officers, em-
 15 ployees, and agents who practice a profession in this state on behalf
 16 of the corporation are licensed to practice the profession in this
 17 state.

18 4. Additional information necessary or appropriate to enable the
 19 secretary of state or regulating board to determine whether the pro-
 20 fessional corporation or foreign professional corporation is comply-
 21 ing with this Act.

22 Information shall be set forth on forms prescribed and furnished
 23 by the secretary of state.

24 Duplicate originals of each annual report of a professional corpo-
 25 ration or foreign professional corporation shall be delivered to the
 26 secretary of state for filing, and the secretary of state shall promptly
 27 deliver one of the duplicate originals to the regulating board having
 28 jurisdiction of the profession or professions which the corporation
 29 is authorized to practice. The provisions of the Iowa Business Cor-
 30 poration Act relating to annual license fee shall apply to professional
 31 corporations.

1 SEC. 22. Corporations organized under other laws. This Act
 2 shall not apply to or interfere with the practice of any profession
 3 by or through any corporation hereafter organized under any other
 4 law of this state or any other state or country, if such practice is
 5 lawful under any other statute or rule of law of this state.

6 Any corporation subject to the provisions of the Iowa Business
 7 Corporation Act may voluntarily elect to adopt this Act and become
 8 subject to its provisions, by amending its articles of incorporation
 9 to be consistent with all provisions of this Act and by stating in
 10 its amended articles of incorporation that the corporation has volun-
 11 tarily elected to adopt this Act.

12 Any corporation organized under any law of any other state or
 13 country may become subject to the provisions of this Act by comply-
 14 ing with all provisions of this Act with respect to foreign profes-
 15 sional corporations.

1 SEC. 23. Section one hundred sixteen point sixteen (116.16), Code
 2 1966, is hereby repealed.

Approved March 4, 1970.

CHAPTER 1243

CO-OPERATIVE ASSOCIATIONS

S. F. 270

AN ACT relating to merger and consolidation of cooperative associations.

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

1 SECTION 1. Chapter four hundred ninety-nine (499), Code 1966,
 2 is hereby amended by adding sections two (2) through twelve (12),
 3 inclusive, of this Act.

1 SEC. 2. When used in this Act, unless the context otherwise re-
 2 quires:

3 1. "Merger" means the uniting of two or more cooperative associa-
4 tions into one cooperative association, in such manner that one of the
5 merging associations retains its corporate existence and absorbs the
6 others, which cease to exist as corporate entities. "Merger" does not
7 include the mere acquisition, by purchase or otherwise, of the assets
8 of one cooperative association by another.

9 2. "Consolidation" means the uniting of two or more cooperative
10 associations into one cooperative association, in such manner that a
11 new cooperative association is formed, and the new cooperative asso-
12 ciation absorbs the others, which cease to exist as separate entities.

13 3. "Surviving association" is the cooperative association resulting
14 from the merger of two or more cooperative associations.

15 4. "New association" is the cooperative association resulting from
16 the consolidation of two or more cooperative associations.

1 SEC. 3. Any two or more cooperative associations may merge into
2 one cooperative association in the following manner:

3 The board of directors of each cooperative association shall, by
4 resolution adopted by a majority vote of all members of each board,
5 approve a plan of merger which shall set forth:

6 1. The names of the cooperative associations proposing to merge
7 and the name of the surviving association.

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

9 3. A statement of any changes in the articles of incorporation of
10 the surviving association.

11 4. Other provisions deemed necessary or desirable.

1 SEC. 4. Any two or more cooperative associations may be con-
2 solidated into a new cooperative association in the following manner:

3 The board of directors of each cooperative association shall, by
4 resolution adopted by a majority vote of all members of each board,
5 approve a plan of consolidation setting forth:

6 1. The names of the cooperative associations proposing to con-
7 solidate and the name of the new association.

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

9 3. With respect to the new association, all of the statements re-
10 quired to be set forth in articles of incorporation for cooperative
11 associations.

12 4. Other provisions deemed necessary or desirable.

1 SEC. 5. The board of directors of each cooperative association,
2 upon approving a plan of merger or consolidation, shall, by motion or
3 resolution, direct that the plan be submitted to a vote at a meeting
4 of members, which may be either an annual or special meeting. Written
5 notice shall be given not less than twenty days prior to the meeting,
6 either personally or by mail to each member and shareholder of
7 record. The notice shall state the time, place, and purpose of the
8 meeting, and a summary of the plan of merger or consolidation shall
9 be included in or enclosed with the notice.

10 At the meeting, a ballot of the members who are entitled to vote
11 in the affairs of the association shall be taken on the proposed plan
12 of merger or consolidation. The plan of merger or consolidation
13 shall be approved if two-thirds of the members vote affirmatively on a
14 ballot in which a majority of all voting members participate. Voting

15 may be by mail ballot notwithstanding any contrary provision in
16 the articles of incorporation or bylaws.

1 SEC. 6. If a member or shareholder of a cooperative association
2 which is a party to a merger or consolidation files with the coopera-
3 tive association, prior to or at the meeting of members at which the
4 plan is submitted to a vote, a written objection to the plan of merger
5 or consolidation, and does not vote in favor of the plan, and such
6 member or shareholder, within twenty days after the merger or
7 consolidation is approved by the other members, makes written de-
8 mand on the surviving or new association for payment of the fair
9 value of his interest as of the day prior to the date on which the vote
10 was taken approving the merger or consolidation, the surviving or
11 new association shall pay to such member or shareholder, upon sur-
12 render of his certificate of membership or shares of stock, the fair
13 value of his interest. Any member or shareholder failing to make
14 demand within the twenty-day period shall be conclusively presumed
15 to have consented to the merger or consolidation and shall be bound
16 by its terms.

17 In the event any dissenting member or shareholder shall apply for
18 membership in the surviving or new association, before payment has
19 been made for his membership or stock, the dissenting member or
20 shareholder shall be deemed to have consented to the merger or con-
21 solidation and to have waived all further rights as a dissenting mem-
22 ber or shareholder.

1 SEC. 7. The fair value of the interest of a member or shareholder
2 shall include the issue price of his membership or capital stock, his
3 deferred patronage dividends, his portion of patronage dividends not
4 previously allocated and available for allocation on the day preceding
5 the vote on merger or consolidation, deferred dividends on his common
6 or preferred stock, and his proportionate share based upon unpaid de-
7 ferred patronage dividends of any surplus and educational fund re-
8 serve of the cooperative association. Payment shall be made as fol-
9 lows:

10 1. The issue price of his membership or capital stock shall be
11 paid within ninety days from date of demand.

12 2. Deferred patronage dividends not otherwise paid in cash, and
13 however evidenced, shall be paid at the same time and proportioned
14 the same as the deferred patronage dividends and current dividends
15 of nondissenting members or shareholders, but in any event within
16 seven years from date of demand.

17 3. At least twenty percent of his proportionate share in the sur-
18 plus and educational fund reserve shall be paid within one year after
19 date of merger or consolidation, and at least twenty percent each year
20 thereafter until fully paid.

21 Each dissenting member, promptly following the vote on merger or
22 consolidation, shall be furnished a balance sheet of the cooperative
23 association, a profit and loss statement covering the period since the
24 close of the last fiscal year, and a list of his deferred dividends.

1 SEC. 8. Upon approval, articles of merger or articles of consoli-
2 dation shall be executed by each cooperative association by its presi-
3 dent or a vice-president and by its secretary or an assistant secretary,

4 and acknowledged by one of the officers of each cooperative associa-
5 tion signing the articles, and shall set forth:

- 6 1. The plan of merger or the plan of consolidation.
- 7 2. As to each cooperative association, the number of individuals or
8 cooperative associations entitled to vote.
- 9 3. As to each cooperative association, the number of individuals or
10 cooperative associations who voted for and against the plan at the
11 meeting called for that purpose.

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

15 The secretary of state, upon the filing of articles of merger or
16 articles of consolidation, shall issue a certificate of merger or a cer-
17 tificate of consolidation, and send the certificate to the surviving or
18 new association, or to its representative.

1 SEC. 9. Upon the issuance of the certificate of merger or the cer-
2 tificate of consolidation by the secretary of state, the merger or con-
3 solidation shall become effective.

4 When a merger or consolidation has become effective:

5 1. The several cooperative associations which are parties to the
6 plan of merger or consolidation shall be a single cooperative associa-
7 tion, which, in the case of a merger, shall be that cooperative associa-
8 tion designated in the plan of merger as the surviving association,
9 and, in the case of consolidation, shall be that cooperative association
10 designated in the plan of consolidation as the new association.

11 2. The separate existence of all cooperative associations which are
12 parties to the plan of merger or consolidation, except the surviving
13 or new association, shall cease.

14 3. The surviving or new association shall have all the rights,
15 privileges, immunities, and powers and shall be subject to all the
16 duties and liabilities of a cooperative association organized under the
17 laws of this state.

18 4. The surviving or new association shall possess all the rights,
19 privileges, immunities, and franchises, public as well as private, of
20 each of the merging or consolidating cooperative associations.

21 5. All property, real, personal, and mixed, and all debts due on
22 whatever account, including subscriptions to shares, and all other
23 choses in action, and all and every other interest, of or belonging to
24 or due to each of the cooperative associations merged or consolidated,
25 shall be transferred to and vested in the surviving or new association
26 without further act or deed. The title to any real estate, or any
27 interest in real estate vested in any of the cooperative associations
28 merged or consolidated, shall not revert or be in any way impaired
29 by reason of the merger or consolidation.

30 6. A surviving or new association shall be responsible and liable
31 for all obligations and liabilities of each of the cooperative associa-
32 tions merged or consolidated.

33 7. Any claim existing or action or proceeding pending by or against
34 any of the cooperative associations merged or consolidated may be
35 prosecuted as if the merger or consolidation had not taken place, or
36 the surviving or new association may be substituted for the merged
37 or consolidated association. Neither the rights of creditors nor any

38 liens upon the property of any cooperative association shall be im-
39 paired by a merger or consolidation.

40 8. In the case of a merger, the articles of incorporation of the
41 surviving association shall be deemed to be amended to the extent that
42 changes in its articles of incorporation are stated in the plan of
43 merger. In the case of a consolidation, the statement set forth in the
44 articles of consolidation which are required or permitted to be set
45 forth in the articles of incorporation of cooperative associations or-
46 ganized under the laws of the state of Iowa shall be deemed to be
47 the original articles of incorporation of the new cooperative associa-
48 tion.

49 9. The aggregate amount of the net assets of the merging or con-
50 solidating cooperative associations which was available for the pay-
51 ment of dividends immediately prior to the merger or consolidation,
52 to the extent that the amount is not transferred to stated capital by
53 the issuance of shares or otherwise, shall continue to be available for
54 the payment of dividends by the surviving or new association.

1 SEC. 10. One or more foreign cooperative associations and one or
2 more domestic cooperative associations may be merged or consolidated
3 in the following manner, if such merger or consolidation is permitted
4 by the laws of the state under which each foreign cooperative associa-
5 tion is organized:

6 1. Each domestic cooperative association shall comply with the
7 provisions of this Act with respect to the merger or consolidation of
8 domestic cooperative associations, and each foreign cooperative asso-
9 ciation shall comply with the applicable provisions of the laws of the
10 state under which it is organized.

11 2. If the surviving or new association is to be governed by the
12 laws of any state other than this state, it shall comply with the pro-
13 visions of the laws of this state with respect to the qualification of
14 foreign cooperative associations if it is to transact business in this
15 state, and in every case it shall file with the secretary of state of
16 this 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
19 domestic cooperative association which is a party to the merger or
20 consolidation, and in any proceeding for the enforcement of the
21 rights of a dissenting shareholder of any such domestic cooperative
22 association, against the surviving or new association.

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

25 c. An agreement that it will promptly pay to the dissenting share-
26 holders of any domestic cooperative association the amount to which
27 they are entitled under the provisions of this Act with respect to the
28 rights of dissenters.

29 The effect of such merger or consolidation shall be the same as
30 the effect of the merger or consolidation of domestic cooperative
31 associations, if the surviving or new association is to be governed
32 by the laws of this state. If the surviving or new association is to be
33 governed by the laws of any other state, the effect of merger or
34 consolidation shall be the same as in the case of the merger or con-

35 solidation of domestic cooperative associations, except as the laws of
36 the other state otherwise provide.

1 SEC. 11. At any time prior to the filing of the articles of merger
2 or consolidation, the merger or consolidation may be abandoned pur-
3 suant to provisions set forth in the plan of merger or consolidation.

1 SEC. 12. The provisions of this Act shall also apply to cooperative
2 associations organized under chapters four hundred ninety-seven
3 (497) and four hundred ninety-eight (498) of the Code.

Approved February 5, 1970.

CHAPTER 1244

ANNUITY AND ENDOWMENT CONTRACTS

S. F. 257

AN ACT to prevent dual regulation of certain annuity and endowment contracts.

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

1 SECTION 1. Section five hundred two point three (502.3), Code
2 1966, is hereby amended by adding to subsection one (1) the follow-
3 ing paragraph:

4 "Notwithstanding anything to the contrary in this subsection, the
5 term 'security' does not include any insurance or endowment policy
6 or annuity contract under which an insurance company promises to
7 pay money either in a lump sum or periodically for life or for some
8 other specified period."

Approved January 23, 1970.

CHAPTER 1245

LIFE INSURANCE COMPANIES

H. F. 1169

AN ACT relating to the investment of funds of life insurance companies.

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

1 SECTION 1. Chapter three hundred sixty-seven (367), Acts of the
2 Sixty-second General Assembly, amending section five hundred eleven
3 point eight (511.8), subsection four (4), Code 1966, is hereby amended
4 by inserting after the word "report" in line seven (7) the following:
5 " , or by the Asian Development Bank in an amount not to exceed
6 two percent of its total assets as shown by the last annual report.
7 However, the combined investment in bonds or evidences of indebted-
8 ness permitted by this subsection shall not exceed four percent of its
9 total assets as shown by the last annual report."

Approved May 5, 1970.