

Statutes
1878

THE
GENERAL STATUTES
OF THE
STATE OF MINNESOTA,

As Amended by Subsequent Legislation.

PREPARED BY
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EDITED AND PUBLISHED UNDER THE AUTHORITY OF CHAPTER 67 OF THE LAWS
OF 1878, AND CHAPTER 67 OF THE LAWS OF 1879.

FOURTH EDITION.

WITH SUPPLEMENTS,
CONTAINING ALL THE GENERAL LAWS IN FORCE UP TO THE END OF
THE LEGISLATIVE SESSION OF 1883.

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may be assessed therefor, in a civil action in any court having jurisdiction, except as provided in the next section.

§ 48. (Sec. 29.) **Same—single damages.** If, upon trial of such action, it appears that the trespass was casual or involuntary, or that the defendant had probable cause to believe that the land on which the trespass was committed was his own, or that of the person in whose service, or by whose direction, the act was done, judgment shall be given for only the single damages assessed in the action.

§ 49. (Sec. 30.) **Cutting timber for highways, etc.—damages.** Nothing in the last two sections authorizes the recovery of more than the just value of the timber taken from uncultivated wood land, for the repair of a public highway or bridge upon the land, or adjoining it.

§ 50. (Sec. 31.) **Treble damages for forcible eviction.** If a person, put out of real property in a forcible manner, without lawful authority, or, being so put out, is afterwards kept out by force, recovers damages therefor, judgment may be entered for three times the amount at which the actual damages are assessed.

§ 51. (Sec. 32.) **Treble damages for forcible entry or detention.** In case of forcible entry or forcible detention, if a person claiming in good faith, under color of title, to be rightfully in possession, so put out, or kept out, recovers damages therefor, judgment may be entered in his favor for three times the amount at which the actual damages are assessed.

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§ 1. **Chapter embraces all corporations and associations.** This chapter embraces all corporations, including in such designation all associations having any corporate rights, whether created by special acts or under general laws.

§ 2. **Foreign corporations may sue.** A foreign corporation may prosecute in the courts of this state, in the same manner as corporations created under the laws thereof.

4 M. 334 (504.)

§ 3. **Limitation on actions by foreign corporations.** A foreign corporation cannot maintain an action in this state upon an obligation or liability arising out of, or in consideration of, an act which is contrary to the law or policy of the state, or which is thereby forbidden in respect to corporations or associations therein whose general business is similar to that of such foreign corporation.

§ 4. **Actions against corporations, how commenced.** Actions may be commenced against corporations, whether created under the laws of this state, or any other state or country, except as otherwise expressly provided, in the same manner as other civil actions; and where service of summons is made according to the statute, the plaintiff may proceed thereupon in the same manner as in civil actions against natural persons.

§ 5. **Injunction against usurpation of corporate powers.** Upon a complaint filed under the direction of the attorney general in any district court, such court has power to restrain, by injunction, any corporation from assuming or exercising any franchise, liberty or privilege, or transacting any business not authorized by the act by or under which such corporation was created, and to restrain any individuals from exercising any corporate rights, privileges or franchises not granted to them by law.

§ 6. **Same—injunction before answer.** Such injunction may be issued before the coming in of the answer, upon satisfactory proof that the defendant complained of has usurped, exercised or claimed any franchise, privilege, liberty, or corporate right not granted to it.

§ 7. **Power of district court over officers of corporations.** The district court may compel the officers of any corporation—

First. To account for their official conduct in the management and disposition of the funds and property committed to their charge;

Second. May decree and compel payment by them, to the corporation which they represent, and to its creditors, of all sums of money, and of the value of all property, which they have acquired to themselves, or transferred to others, or have lost or wasted by any violation of their duties as such officers;

Third. May suspend any such trustee or other officer from exercising his office, whenever it appears that he has abused his trust;

Fourth. May remove any trustee or officer from his office, upon proof or conviction of gross misconduct;

Fifth. May direct, if necessary, a new election to be held, by the body or board duly authorized for that purpose, to supply any vacancy created by such removal;

Sixth. May set aside all alienations of property made by the trustees or other officers of any corporation, contrary to the provisions of law, or for purposes foreign to the lawful business and objects of such corporation, in cases where the person receiving such alienation knew the purpose for which the same was made; and

Seventh. May restrain and prevent any such alienation, in cases where it is threatened, or there is good reason to apprehend that it is intended.

§ 8. **Preceding section, how construed.** Whenever any visitatorial powers over any corporation are vested by statute in any corporate body or public officer, the provisions of the preceding section shall not be construed to impair the powers so vested.

§ 9. **Return of execution unsatisfied—complaint—sequestration—receiver.** Whenever a judgment is obtained against any corporation incorporated under the laws of this state, and an execution issued thereon is returned unsatisfied in whole or in part, upon the complaint of the person obtaining such judgment, or his representatives, the district court within the proper county may sequester the stock, property, things in action and effects of such corporation, and appoint a receiver of the same.

§ 10. **Same—judgment—distribution of assets of corporation.** Upon a final judgment on any such complaint, the court shall cause a just and fair distribution of the property of such corporation, and of the proceeds thereof, to be made among the fair and honest creditors of such corporation, in proportion to their debts respectively.

§ 11. **Action for dissolution of railroad and other companies—grounds of action.** Whenever any railroad company doing business in this state shall charge, demand or receive unreasonable rates for the transportation of freight or passengers over any portion of its line of railroad, or violate any of the provisions of its act or acts of incorporation, or any other law binding upon such corporation, or if any incorporated company remain insolvent for one year, or for one year neglects or refuses to discharge its notes or other evidence of debt, or for one year suspends the lawful business of such corporation, such company or corporation shall be deemed to have forfeited the rights, privileges and franchises granted by any act or acts of incorporation, or acquired under the laws of this state, and shall be adjudged to be dissolved; and it is hereby made the duty of the attorney general to make complaint in the district court in any county in which such company or corporation may be doing business, against any company or corporation who shall in any manner violate any of the provisions of this section, or commit any of the acts herein recited; and upon the trial in said court, or any court to which the same may be transferred, if it shall be established, by the finding of the court, or the verdict of the jury, that any of the acts herein recited have been committed by such corporation or company, the said court shall render judgment of forfeiture and the dissolution of such corporation, and may appoint receivers as in other cases provided for in this act. Upon the trial of any action commenced against any railroad company or corporation for charging, demanding or receiving unreasonable rates for the transportation of freights or passengers, under the provisions of this section, the court or jury before whom the same is tried shall find specially whether such company or corporation has charged, demanded or received unreasonable rates for such transportation. (*As amended 1871, c. 37, § 1.*)

§ 12. **Proceedings against insolvent banking and insurance companies—injunction.** Whenever any corporation having banking powers, or the power to make loans on pledges or deposits, or authorized by law to make insurances, becomes insolvent, or unable to pay its debts, or neglects or refuses to pay its notes or evidences of debt on demand, or violates any of the provisions of its act or acts of incorporation, or of any other law binding on such corporation, the district court may, by injunction, restrain such corporation and its officers from exercising any of its corporate rights, privileges and franchises, and from collecting or receiving any debts or demands, and from paying out, or in any way transferring or delivering, to any person, any of the moneys, property or effects of such corporation, until such court shall otherwise order.

§ 13. **Same—forfeiture of charter, etc.** Such injunction may be issued on the complaint of the attorney general, in behalf of the state, or on the complaint of any creditor or stockholder of such corporation. Whenever such injunction issues against any bank for any violation of its charter, on the complaint of any creditor, the court shall proceed to final judgment in such case, and adjudge a forfeiture, if the proof is sufficient, notwithstanding such creditor may settle with such corporation, and relinquish his claim against said corporation; and in all such cases, the attorney general, or any creditor, shall have the right to appear and prosecute such action; and such action shall not be discontinued, if either of them so appear and prosecute the same.

§ 14. **Same—appointment of receiver.** The court, in any stage of the proceedings, may appoint one or more receivers to take charge of the property and effects of such corporation, and to collect, sue for and recover the debts and demands that are due, and the property that belongs to such corporation, who shall in all respects be subject to the control of the court.

§ 15. **Suit by creditor—parties defendant.** If such application is made by a creditor of any corporation whose directors or stockholders are made liable by law for the payment of such debts, in any event or contingency, such debtors or stockholders, or any of them, may be made parties to the action, either at the time

of filing the complaint, or in any subsequent stage of the proceedings, whenever it becomes necessary to enforce such liability.

§ 16. **Supplemental complaint by creditor against stockholders, etc.** If any creditor of a corporation desires to make such directors or stockholders parties to the action, after a judgment therein against the corporation, he may do so, on filing a supplemental complaint against them, founded upon such judgment; and if such decree was rendered in a proceeding instituted by the attorney general, such creditor may, on his application, be made complainant therein, and may, in like manner, make the directors and stockholders sought to be charged, defendants in such action.

§ 17. **Action by creditor against stockholders, etc., when brought.** Whenever any creditor of a corporation seeks to charge the directors, trustees, or other superintending officers of such corporation, or the stockholders thereof, on account of any liability created by law, he may file his complaint for that purpose, in any district court which possesses jurisdiction to enforce such liability.

§ 18. **Same—account—receiver.** The court shall proceed thereon as in other cases, and, when necessary, shall cause an account to be taken of the property and debts due to and from such corporation, and shall appoint one or more receivers.

§ 19. **Same—proceedings, when corporation is proved insolvent.** If, on the coming in of the answer, or upon the taking of any such account, it appears that such corporation is insolvent, and that it has no property or effects to satisfy such creditors, the court may proceed, without appointing any receiver, to ascertain the respective liabilities of such directors and stockholders, and enforce the same by its judgment as in other cases.

§ 20. **Same—judgment—distribution of corporate assets.** Upon a final judgment in any such action to restrain a corporation, or against directors or stockholders, the court shall cause a just and fair distribution of the property of such corporation, and of the proceeds thereof, to be made among its creditors.

§ 21. **Same—collection of dues for stock-subscriptions.** In all cases in which the directors or other officers of a corporation, or the stockholders thereof, are made parties to an action in which a judgment is rendered, if the property of such corporation is insufficient to discharge its debts, the court shall proceed to compel each stockholder to pay in the amount due and remaining unpaid on the shares of stock held by him, or so much thereof as is necessary to satisfy the debts of the company.

§ 22. **Same—judgment against officers and stockholders.** If the debts of the company remain unsatisfied, the court shall proceed to ascertain the respective liabilities of the directors or other officers, and of the stockholders, and to adjudge the amount payable by each, and enforce the judgment as in other cases.

§ 23. **Same—notice to creditors to exhibit claims.** Whenever any action is brought against any corporation, its directors or other superintending officers, or stockholders, according to the provisions of this chapter, the court, whenever it appears necessary or proper, may order notice to be published, in such manner as it shall direct, requiring all the creditors of such corporation to exhibit their claims and become parties to the action, within a reasonable time, not less than six months from the first publication of such order, and, in default thereof, to be precluded from all benefit of the judgment which shall be rendered in such action, and from any distribution which shall be made under such judgment.