

## Corporations

## CHAPTER 300

## GENERAL PROVISIONS RELATING TO CORPORATIONS

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**300.01 EXISTING CORPORATIONS CONTINUED.** Until otherwise provided by law, all private corporations existing and doing business at the time of the taking effect of Revised Laws 1905 shall continue to exercise and enjoy all powers and privileges possessed by them under their respective articles of incorporation and the laws applicable thereto then in force and shall remain subject to all the duties and liabilities to which they were then subject.

[R. L. s. 2838] (7429)

**300.02 DEFINITIONS.** Subdivision 1. **Words, terms, and phrases.** Unless the language or context clearly indicates that a different meaning is intended, the following words, terms, and phrases, for the purposes of chapters 300 to 317, shall be given the meanings subjoined to them.

Subdivision 2. **Corporation.** The word "corporation" means a private corporation.

Subdivision 3. **Private corporation.** The term "private corporation" includes every company, association, or body endowed by law with any corporate power or function, except such as are formed solely for public and governmental purposes, which shall be deemed public corporations.

Subdivision 4. **Certificate of incorporation.** The term "certificate of incorporation" when used in reference to corporations formed prior to the taking effect of the Revised Laws of 1905 shall be construed as meaning articles of incorporation.

Subdivision 5. **Domestic corporation.** The term "domestic corporation" means every corporation organized under the laws of this state.

Subdivision 6. **Foreign corporation.** The term "foreign corporation" means any corporation except a domestic corporation.

[R. L. ss. 2839, 2840] (7430, 7431)

**300.025 ORGANIZATION, CERTIFICATE.** Any three or more persons may form a corporation for any of the purposes specified in section 47.12 by complying with the conditions hereinafter prescribed; provided, no corporation shall be formed under this section which might be formed under the Minnesota business corporation act. They shall subscribe and acknowledge a certificate specifying:

(1) The name, the general nature of its business, and the principal place of transacting the same. Such name shall distinguish it from all other corporations, domestic or foreign, authorized to do business in this state, and shall contain the word "company," "corporation," "bank," "association," or "incorporated." In the case of a state bank the name shall contain the words "state bank."

(2) The period of its duration, if limited.

(3) The names and places of residence of the incorporators.

(4) In what board its management shall be vested, the date of the annual meeting at which it shall be elected, and the names and addresses of those composing the board until the first election, a majority of whom, in the case of savings banks and building and loan associations, shall always be residents of the state.

(5) The amount of capital stock, if any, how the same is to be paid in, the number of shares into which it is to be divided, and the par value of each share; and, if there is to be more than one, a description and the terms of issue of each, and the method of voting thereon.

(6) The highest amount of indebtedness or liability to which the corporation shall at any time be subject.

It may also contain any other lawful provision defining and regulating the powers or business of the corporation, its officers, directors, trustees, members, and stockholders.

[R. L. s. 2849; 1907 c. 468 s. 1; 1919 c. 111 s. 1] (7443)

**300.03 PUBLIC SERVICE CORPORATIONS; PURPOSES.** Corporations may be organized for the construction, acquisition, maintenance, or operation of any work of internal improvement, including railways, street railways, telegraph and telephone lines, canals, slackwater, or other navigation, dams to create or improve a water supply or to furnish power for public use, and any work for supplying the public, by whatever means, with water, light, heat, or power, including all requisite subways, pipes, and other conduits, and tunnels for transportation of pedestrians. No corporation so formed shall construct, maintain, or operate a railway of any kind, or any subway, pipe line, or other conduit, or any tunnel for transportation of pedestrians in or upon any street, alley, or other public ground of a city or village, without first obtaining from the city or village a franchise conferring such right and compensating the city or village therefor.

[R. L. s. 2841; 1925 c. 73] (7432)

**300.04 STATE AND LOCAL CONTROL; EMINENT DOMAIN.** The state shall at all times have the right to supervise and regulate the business methods and management of any such corporation and from time to time to fix the compensation which it may charge or receive for its services. Every such corporation obtaining a franchise from a city or village shall be subject to such conditions and restrictions as from time to time may be imposed upon it by such municipality. Every such corporation may acquire by right of eminent domain such private property as may be necessary or convenient for the transaction of the public business for which it was formed. No street railway company shall have or exercise such right within the limits of any city or village.

[R. L. s. 2842] (7433)

**300.05 MUNICIPALITY MAY PURCHASE.** The council of any city or village, at the end of any period of five years from the granting of a franchise for the operation of any street railway, telephone, waterworks, gas works, or any electric light, heat, or power works, when authorized so to do by a two-thirds majority of

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the votes cast upon the question, may acquire and thereafter operate the same, upon paying to the corporation or person owning the franchise the value of such property, to be ascertained in the manner provided by law for acquiring property under the right of eminent domain, upon petition of its governing body. Such vote shall be taken at a special election called for that purpose and held within three months next preceding the expiration of the five-year period. The consideration for such works or property shall first be applied to the payment of any encumbrances thereon and the remainder, if any, shall be paid to the owner of the franchise.

[R. L. s. 2843] (7434)

**300.06 FILING AND RECORD OF CERTIFICATE.** The certificate of every such corporation shall be filed for record with the secretary of state, who, if he finds that it conforms to law, and, if a financial corporation, has endorsed thereon the approval of the commissioner of banks, or, if an insurance company, that of the insurance commissioner, and, in every case, that the required fee has been paid, shall record the same and certify that fact thereon. After such record, such certificate shall be filed for record with the register of deeds of the county of the principal place of business, as specified in the certificate.

[R. L. s. 2850] (7444)

**300.07 PUBLICATION OF CERTIFICATE.** Every such certificate of incorporation shall be published in a qualified newspaper in the county of such principal place of business for two successive days in a daily, or for two successive weeks in a weekly, newspaper. Upon filing with the secretary of state proof of such publication, its corporate organization shall be complete.

[R. L. s. 2851] (7445)

**300.08 GENERAL POWERS. Subdivision 1. Enumerated powers.** Every corporation formed under the provisions of this chapter shall have power:

(1) To have succession by its corporate name for the time stated in its certificate of incorporation;

(2) To sue and be sued in any court;

(3) To have and use a common seal and alter the same at pleasure;

(4) To acquire, by purchase or otherwise, and to hold, enjoy, improve, lease, encumber, and convey all real and personal property necessary to the purposes of its organization, subject to the limitations hereafter declared;

(5) To elect or appoint in such manner as it may determine all necessary or proper officers, agents, boards, and committees, to fix their compensation, and to define their powers and duties;

(6) To make and amend consistently with law by-laws providing for the management of its property and the regulation and government of its affairs; and

(7) To wind up and liquidate its business in the manner provided by law.

**Subdivision 2. Issuance of stock; kinds.** In addition to the powers enumerated in subdivision 1, every such corporation, except the financial corporations herein after in this chapter specified, shall have power to issue more than one class of stock.

**Subdivision 3. May hold stock of other corporations.** Any corporation organized (1) for carrying on any kind of manufacturing or mechanical business not incompatible with an honest purpose; or (2) for the mining, smelting, reducing, refining, or working of ores or minerals, for working coal mines or stone quarries, or for buying, working, selling, or dealing in mineral lands, or for any one or more of the purposes mentioned in this paragraph (2), may take, acquire, and hold stock in any other corporation, if a majority of the stockholders shall elect.

[R. L. ss. 2852, 2853] (7447, 7452)

**300.09 SALE, LEASE, OR EXCHANGE OF PROPERTY; PROCEDURE.** Every corporation heretofore or hereafter organized under the laws of this state, except those formed or coming under the Minnesota business corporation act, may, at any meeting of its board of directors, sell, lease, or exchange all of its property, rights, privileges, and franchises upon such terms and conditions as its board of directors deems expedient and for the best interests of the corporation, when and as authorized by the affirmative vote of the holders of two-thirds of the shares of stock of the company issued and outstanding having voting power, given at a stockholders' meeting duly called for that purpose, or when authorized by the written consent of the holders of two-thirds of the shares of stock of the company

issued and outstanding having voting power. The certificate of incorporation may require the vote or written consent of a larger portion of the stockholders.

[1925 c. 320 s. 1; 1933 c. 300 s. 62] (7447-1)

**300.10 DEEDS OF TRUST MAY DRAW INTEREST AT EIGHT PER CENT.**

Any public service corporation owning property in this state may mortgage or execute deeds of trust of the whole, or any part, of its property and franchises to secure money borrowed by it for the construction and equipment of its lines and properties and for its corporate purposes and issue its corporate bonds, in sums of not less than \$100.00 secured by these mortgages or deeds of trust, bearing interest at a rate not exceeding eight per cent per annum; such mortgages or deeds of trust may by their terms include after-acquired property, real and personal, and shall be as valid and effectual for that purpose as if such after-acquired property were owned by, and in possession of, the corporation giving such mortgage or deed of trust at the time of the execution thereof.

[1917 c. 10 s. 1; 1919 c. 127 s. 1; 1921 c. 131 s. 1] (7449)

**300.11 EXECUTION OF MORTGAGES AND DEEDS OF TRUST LEGALIZED.**

In cases where any public service corporation owning property in this state has mortgaged or executed deeds of trust of the whole, or any part, of its property and franchises to secure money borrowed by it for the construction and equipment of lines and properties and for its corporate purposes, and issued its corporate bonds in sums of not less than \$100 secured by mortgages or deeds of trust, bearing interest at a rate not exceeding eight per cent per annum, and such mortgages or deeds of trust have by their terms included after-acquired property, real and personal, or have borne interest at a rate not exceeding eight per cent per annum, such mortgages and deeds of trust are hereby legalized and made valid and effectual to all intents and purposes as if such after-acquired property were owned by and in possession of the corporation giving such mortgage or deed of trust at the time of the execution thereof, and as if such corporate bonds bore interest at the rate of seven per cent per annum.

[1917 c. 10 s. 2; 1921 c. 131 s. 2] (7450)

**300.12 BY-LAWS; STATEMENTS.** Subdivision 1. **Adoption of by-laws.** The first board of directors, trustees, or managers shall adopt by-laws, which shall remain effective until, and except as, amended by the stockholders or members at any regular or special meeting called therefor.

Subdivision 2. **By-laws and certain statements posted in place of business.** A copy of the by-laws of every corporation whose articles are filed with the secretary of state, the names of its officers, and a statement of the amount of the capital stock actually and in good faith subscribed for, if there be any, the amount and character of payments actually made thereon; and, in the case of corporations empowered to take private property, the amount of its indebtedness in a general way, shall also be kept posted in its principal place of business; which statement shall be corrected as often as any material change takes place in relation to any part of the subject matter of such statement.

[R. L. ss. 2854, 2855] (7453, 7454)

**300.13 CORPORATE EXISTENCE; DURATION; RENEWAL; NOTICES OF RENEWAL, PUBLICATION.** A railroad corporation may be formed for any period specified in its certificate of incorporation. A savings bank shall have perpetual succession. Every other corporation, except as hereinafter otherwise provided, shall be formed for a period not exceeding 30 years in the first instance, but may be renewed from time to time for a further term not exceeding 30 years, whenever a three-fourths vote of the stock or members, in case of mutual or non-stock corporations represented at any regular meeting, or at any special meeting called for that purpose, which shall have been clearly specified in the call, shall have heretofore or shall hereafter adopt a resolution to that effect; and, in case of stock companies, when those desiring it shall have purchased at its value the stock of those opposed thereto; provided, that no corporation formed under the provisions of the Minnesota business corporation act, and no corporation which accepts the provisions of that act or which elects not to accept the same, as provided by section 301.60, may be renewed hereunder. Religious, social, educational, fraternal, and charitable corporations and all other corporations not organized for pecuniary profit, shall have perpetual succession unless the duration thereof is specifically limited in the certificate of incorporation, and, in case of existing religious, social, educational, fraternal, and

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charitable corporations and all other corporations not organized for pecuniary profit, where no period of duration is fixed in the certificate of incorporation, the duration thereof shall be perpetual, and where the certificate of incorporation of any such corporation provides a fixed period of duration, such corporation may have perpetual succession by amending its certificate of incorporation so as to provide therefor.

No such resolution shall take effect until a duly certified copy thereof shall have been filed, recorded, and published in the same manner as its original certificate. In the case of a cooperative association, or of a religious, social, educational, fraternal, charitable or other corporation not organized for pecuniary profit, it shall not be necessary to publish the resolution.

[*R. L. ss. 2856, 2857; 1907 c. 468 s. 2; 1921 c. 39 s. 1; 1927 c. 32; 1933 c. 189; 1933 c. 300 s. 62; 1945 c. 509 s. 1*] (7455, 7456)

**300.131 PERPETUAL CORPORATE EXISTENCE FOR INSURANCE COMPANIES.** The corporate existence of any insurance company heretofore or hereafter organized under the laws of this state may be made perpetual by so providing in its articles of incorporation or by amendment thereof.

[*1943 c. 72 s. 1*]

**300.14 CONSOLIDATION OF CERTAIN CORPORATIONS; MANNER OF; RECORDING; PUBLICATION; CERTIFIED COPY AS EVIDENCE.** Any two or more corporations, except corporations organized for the purpose of carrying on the business of a railroad, bank, savings bank, trust company, building and loan association, or insurance company may consolidate into a single corporation, which may be either one of such consolidating corporations or a new corporation created by such consolidation; the directors, or a majority of them, of such corporations as desire to consolidate, may enter into an agreement signed by them and under the corporate seals of the respective corporations, prescribing the terms and conditions of the consolidation, the mode of carrying the same into effect, and stating such other facts as are deemed applicable among those necessary to be set out in a certificate of incorporation, as provided in section 47.13, as well as the manner and basis of converting the shares of stock of each of the constituent corporations into the shares of the consolidated corporation, whether into the same or a different number of shares of the consolidated corporation and whether par value or no par value stock, with such other details and provisions as are deemed necessary or desirable. The agreement shall further state the amount of capital stock with which the consolidated corporation will begin business, which may be any amount not less than the aggregate par value of shares of stock having par value to be distributed in place of previously issued and outstanding shares of stock of the constituent corporations. The agreement may provide for the distribution of cash, notes, or bonds in whole or in part in lieu of stock to stockholders of the constituent corporations, or any of them.

The agreement shall be submitted to the stockholders of record of each corporation at a meeting thereof called separately for the purpose of taking the same into consideration; of the time, place, and object of which meeting notice shall be mailed at least two weeks before the meeting to each stockholder of record, whether entitled to vote or not, at his last known post-office address, as shown by the corporation's records, and at such meeting the agreement shall be considered and a vote by ballot, in person or by proxy, taken for the adoption or rejection of the same; and, if the votes of stockholders of each corporation holding stock in such corporation entitling them to exercise at least nine-tenths of the voting power on a proposal to consolidate the corporation with another or such other proportion of the stockholders as may be prescribed by the certificate of incorporation for votes on said proposal for votes on the proposal shall be for the adoption of the agreement, then that fact shall be certified on the agreement by the secretary or assistant secretary of each corporation, under the seal thereof; and the agreement, so adopted and certified, shall be signed by the president or vice-president and secretary or assistant secretary of each corporation under the corporate seal thereof and acknowledged by the president or vice-president thereof before any officer authorized by the laws of this state to take acknowledgments of deeds to be the respective acts, deeds, and agreements of such corporation; the agreement so certified and acknowledged shall be filed for record with the secretary of state and with the register of deeds of the county of the principal place of business of the consolidated

corporation, as specified in the agreement and published, and proof of such publication filed with the secretary of state, all as prescribed for a certificate of incorporation, and shall thence be taken and deemed to be the agreement and acts of consolidation of the constituent corporations, and the certificate of incorporation of the consolidated corporation; and a certified copy thereof shall be evidence of the performance of all antecedent acts and conditions necessary to such consolidation and of the existence of the consolidated corporation.

[1927 c. 385 s. 1] (7457-12)

**300.15 POWERS, RIGHTS, LIABILITIES, AND DUTIES OF CONSOLIDATED CORPORATION.** When the agreement is signed, acknowledged, filed for record and published as in section 300.14 is required the separate existence of the constituent corporations shall cease and they shall thereupon become a single corporation in accordance with the agreement, possessing all the rights, privileges, powers, franchises, and immunities as well of a public as of a private nature and being subject to all the liabilities and duties of each of such corporations so consolidated, and all and singular the rights, privileges, powers, franchises, and immunities of each of such corporations and all property, real, personal, and mixed, and all debts owing on whatever account, and all other things in action of or belonging to each of such corporations shall be vested in the consolidated corporation, and all such property, rights, privileges, powers, franchises, immunities, and every other interest shall be thereafter as effectually the property of the consolidated corporation as they were of the several and respective constituent corporations; provided, that all rights of creditors and all liens upon the property of either of the constituent corporations shall be preserved unimpaired, limited in lien to the property affected by such lien at the time of the consolidation; and all debts, liabilities, and duties of the respective constituent corporations shall thenceforth attach to the consolidated corporation and may be enforced against it to the same extent as if the debts, liabilities, and duties had been incurred or contracted by it.

[1927 c. 385 s. 2] (7457-13)

**300.16 DISSENTING STOCKHOLDERS; RIGHTS, HOW DETERMINED.** If any stockholder entitled to vote in any corporation consolidating, as aforesaid, shall vote against the same and shall, at or prior to the taking of the vote, object thereto in writing, or if any stockholder of record in any corporation consolidating, as aforesaid, not entitled to vote thereon, shall, at or prior to the taking of the vote, object thereto in writing; and, if in either case such stockholders shall within 20 days after the taking of such vote demand in writing that the consolidated corporation make payment of the fair cash value of his stock, the consolidated corporation shall, within 30 days after proof of publication of the consolidation agreement is filed with the secretary of state, as aforesaid, pay to such objecting stockholder the fair cash value of his stock as of the day before such vote was taken. In case of disagreement as to such fair cash value any such stockholder, or the consolidated corporation, within 60 days after proof of publication of the consolidation agreement has been filed, as aforesaid, and upon notice to the opposite party, may petition the district court of the judicial district in which the principal office of the consolidated corporation is established to, and the court shall, appoint three appraisers to appraise the value of such stock. The award of the appraisers, if no written objection thereto is filed by either party within ten days after the same shall have been filed in court, shall be final and conclusive; and, if such objection is so filed, the same shall be tried summarily by the court and judgment rendered thereon. If the amount determined in such proceeding is in excess of such amount as the consolidated corporation shall have offered to pay as the fair cash value of the stock, the court shall assess against the consolidated corporation the costs of the proceeding, including a reasonable attorney's fee to the stockholder and a reasonable fee to the appraisers, as it shall deem equitable; otherwise, such costs and fees to the appraisers shall be assessed, one-half against the corporation and one-half against the stockholder. Any party shall have the right of appeal from the judgment of the court according to then existing laws; provided that the appeal be taken within ten days after the entry of the judgment. Unless the consolidation is abandoned any such stockholder, on the making of the demand in writing, as aforesaid, shall cease to be a stockholder in the constituent corporation and shall have no rights with respect to such stock, except the right to receive payment therefor, as aforesaid, and, upon payment of the agreed fair cash value of the stock or the value

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of the stock under final judgment, such stockholder or stockholders shall transfer their stock to the consolidated corporation; and, in the event the consolidated corporation shall fail to pay the amount of the judgment within ten days after the same shall become final, the judgment may be collected and enforced in the manner prescribed by law for the enforcement of judgments. Each stockholder in any of the constituent corporations at the time the consolidation becomes effective, entitled to vote, who does not vote against the consolidation and object thereto in writing, as aforesaid, and each stockholder in each of the constituent corporations at the time the consolidation becomes effective, not entitled to vote, who does not object thereto in writing, as aforesaid, shall cease to be a stockholder in such constituent corporation and deemed to have assented to the consolidation and, together with the stockholders voting in favor of the consolidation, entitled to receive certificates of stock in the consolidated corporation or cash or notes or bonds, in the manner and on the terms specified in the agreement of consolidation.

[1927 c. 385 s. 3] (7457-14)

**300.17 LIABILITIES OF CORPORATIONS, STOCKHOLDERS, AND OFFICERS; RIGHTS OF CREDITORS.** The liability of corporations, or the stockholders or officers thereof, or the rights or remedies of the creditors thereof, or of persons transacting business with such corporations shall not in any way be lessened or impaired by the consolidation of two or more corporations under the provisions of sections 300.14 to 300.19.

[1927 c. 385 s. 5] (7457-16)

**300.18 CAPITAL STOCK OF CONSOLIDATED CORPORATION.** The capital stock of a consolidated corporation, issued and represented by shares of stock, shall be deemed to be the amount stated in the consolidation agreement as to the amount of capital stock with which the consolidated corporation will begin business, until such time as the corporation shall issue shares of stock in addition to those distributed to the stockholders of its constituent corporations upon the consolidation. Upon the issue of any such additional shares the capital stock issued and represented by shares of stock shall be deemed to be increased by the aggregate par value of all such additional shares of stock having par value and the aggregate amount of money or the actual value of the consideration, as fixed by the directors, or otherwise, received by the corporation for the issuance of all such additional shares without par value.

[1927 c. 385 s. 6] (7457-17)

**300.19 FILING FEE.** Upon filing any consolidation agreement, as provided for in sections 300.14 to 300.19, there shall be paid to the state treasurer the same fees as required on the filing of a certificate of the corporation, less the total amount of the fees that have been theretofore paid to the state treasurer on account of filing the certificates of incorporation or renewals thereof and any amendments thereto increasing capital stock of all of the corporations parties to such consolidation agreement.

[1927 c. 385 s. 7] (7457-18)

**300.20 BOARD OF DIRECTORS, ELECTION; VACANCY, HOW FILLED.** The business of every such corporation, except savings banks, shall be managed by a board of at least three directors elected by ballot by and from the stockholders or members. When the certificate of incorporation or the by-laws so provides a vacancy in the board of directors may be filled by the remaining directors. Not more than one-third of the members of the board may be so filled in any one year. The business of savings banks shall be managed by a board of at least seven trustees, residents of the county of its location, each of whom, before being authorized to act, shall file a written acceptance of the trust. A majority of the directors or trustees shall constitute a quorum for the transaction of business. Any action which might be taken at a meeting of the board of directors, trustees, or managers may be taken without a meeting if done in writing signed by all of the directors, trustees, or managers.

[R. L. s. 2858; 1919 c. 311 s. 1; 1941 c. 148] (7458)

**300.21 OFFICERS.** Every domestic corporation, except when otherwise specially provided, shall have a president, secretary, and treasurer, and may have one or more vice-presidents and other officers, as its certificate of incorporation or by-laws may provide. The time and manner of their election and their respective

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duties shall be prescribed in the certificate of incorporation or in the by-laws. The president shall be a director or trustee. The secretary and treasurer may or may not be a director or trustee, as shall be provided in the certificate of incorporation or in the by-laws.

[R. L. s. 2859; 1909 c. 298 s. 1] (7459)

**300.22 CLASSIFICATION OF MANAGERS.** By so providing in its certificate of incorporation, any corporation may classify its directors or trustees in respect to the time for which they shall severally hold office, the several classes to be elected for different terms; provided, that no class shall be elected for a term of less than one year, or more than five years, and the term of office of at least one class shall expire each year.

[R. L. s. 2860] (7460)

**300.23 VOTING, HOW REGULATED.** Unless otherwise provided in the certificate or by-laws, at every meeting each stockholder or member, resident or non-resident, shall be entitled to one vote in person, or by proxy made within one year or other time specially limited by law, for each share or other lawful unit of representation held by him in his individual, corporate, or representative capacity, but no stock shall be voted on at any election within 20 days after its transfer on the books of the corporation.

[R. L. s. 2861] (7461)

**300.24 CUMULATIVE VOTING.** The certificate of incorporation, original or amended, of any corporation now or hereafter organized under the laws of this state, and thereunder issuing, or authorized to issue, shares of its capital stock, may provide that, at all elections of directors or managers, each stockholder or member shall be entitled to as many votes as shall equal the number of his shares of stock multiplied by the number of directors or managers to be elected, and that he shall cast all of such votes for a single director or manager, or may distribute them among the number to be voted for, or for any two or more of them, as he may see fit, which right when exercised shall be termed "cumulative voting."

[R. L. s. 2862] (7462)

**300.25 TRANSFER OF STOCK.** The delivery, by the rightful owner or by one by him entrusted therewith, to a bona fide purchaser or pledgee, for value, of a certificate of stock duly transferred in writing by the holder personally, or accompanied by his power of attorney authorizing such transfer, shall be sufficient to transfer title but shall not affect the right of the corporation to pay any dividend thereon or to treat the holder of record as the owner in fact, until such transfer has been recorded on its books, or a new certificate issued to the transferee, who, upon delivery of the former certificate to the treasurer, shall be entitled to receive such new one. Stock in any corporation, except one formed or coming under the Minnesota Business Corporation Act, shall not be transferred upon the books of the corporation while any instalment thereon remains delinquent, nor while any indebtedness of the record holder thereof to the corporation remains unpaid; nor shall any transfer deprive it of the right to maintain a personal action against any subscriber to its stock. A pledgee of stock transferred as collateral security shall be entitled to a new certificate, if the instrument of transfer substantially describe the debt or duty intended to be secured thereby. The new certificate shall state on its face that it is held as collateral security and the name of the pledgor, who alone shall be liable as a stockholder and entitled to vote thereon; provided that corporations formed or coming under the Minnesota business corporations act shall not be subject to the provisions of this sentence.

[R. L. s. 2863; 1933 c. 300 s. 62] (7463)

**300.26 EFFECT OF TRANSFER; STOCK BOOKS.** The transfer of shares is not valid, except as between the parties thereto, until it is regularly entered on the books of the company so far as to show the names of the persons by and to whom transferred, the number or other designation of the shares, and the date of the transfer; but such transfer shall not in any way exempt the person making such transfer from any liabilities of the corporation which were created prior to the transfer. The books of the company shall be so kept as to show intelligibly the original stockholders, their respective interests, the amount which has been paid in on their shares, and all transfers thereof, and such books, or a correct copy



thereof, so far as the items mentioned in this section are concerned, shall be subject to the inspection of any person desiring the same.

[R. L. s. 2864] (7464)

**300.27 STOCKHOLDERS, LIABILITIES. Subdivision 1. Personal liability.** Every stockholder shall be personally liable for corporate debts in the following cases:

- (1) For all unpaid instalments on stock owned by him or transferred for the purpose of defrauding creditors;
- (2) For failure by the corporation to comply substantially with the provisions as to organization and publicity; and
- (3) For personally violating any of such provisions in the transaction of any corporate business as officer, director, or member and for fraudulent or dishonest conduct in the discharge of any official duty.

**Subdivision 2. Exemptions.** Except as provided by subdivision 1 hereof, no stockholder or member of any corporation or of any cooperative corporation or association, however or whenever organized, except a stockholder in a banking or trust corporation or association, shall be liable for any debt of such corporation, cooperative corporation, or association.

**Subdivision 3. Application.** The provisions of subdivision 2 shall not affect any liability existing at the time of the passage of subdivision 2.

[R. L. s. 2865; 1931 c. 210 ss. 1, 2] (7465, 7465-1, 7465-2)

**300.28 PROPERTY OF STOCKHOLDERS LEVIED ON, WHEN.** The private property of a stockholder shall not be levied on for any liability specified in section 300.27, subdivision 1, unless both he and the corporation are duly served with process in the action and the issue involving his individual liability is raised and determined therein; and individual property shall never be levied on until all corporate property which can be found has been exhausted.

[R. L. s. 2866] (7466)

**300.29 PROCEDURE OF OFFICER LEVYING.** The officer holding an execution, which may be so levied on private property, shall first demand payment of the president, secretary, or other acting officer of the corporation, or who was one of its last acting officers; and, if he fails to forthwith satisfy the execution or point out corporate property upon which it may be levied, the officer shall endorse thereon the fact of such demand and failure to pay and then levy the same upon individual property of any stockholder impleaded and served as aforesaid. Such levy may be made to satisfy any balance due upon an execution after levy upon corporate property, or part payment from corporate funds.

[R. L. s. 2867] (7467)

**300.30 CAPITAL STOCK.** Except as otherwise provided in this chapter the capital stock of any stock corporation shall in no case be less than \$10,000. It shall be divided into shares of not less than \$1.00, nor more than \$100.00, each; but the capital and number of shares may be increased at any regular or specially called meeting of the stockholders.

[R. L. s. 2868] (7468)

**300.31 CAPITAL STOCK OF CERTAIN TELEPHONE COMPANIES.** The capital stock of corporations formed for the operation of telephone systems in, or connecting, towns or villages of less than 2,000 inhabitants shall in no case be less than \$500.00.

[1909 c. 68 s. 1] (7469)

**300.32 RECORD OF STOCK; REPORTS; DIVIDENDS.** In all stock corporations the directors shall cause accurate and complete records to be kept of all corporate proceedings and of all stock subscribed, transferred, canceled, or retired and proper books, accounts, files, and records of all other business transacted. All such books and records shall, at all reasonable times and for all proper purposes, be open to the inspection of any stockholder. Its directors shall when required present to the stockholders written reports of its condition and business and declare such dividends of the profits of the business as they deem advisable, but shall not thereby reduce the capital while there are outstanding liabilities.

[R. L. s. 2869] (7470)

**300.33 CORPORATE STOCK WITHOUT NOMINAL OR PAR VALUE; CLASSES OF; PREFERRED STOCK.** Any corporation of this state heretofore or hereafter incorporated, except banks, savings banks, trust companies, building and loan associations, and insurance companies, may create one or more classes of stock without any nominal or par value, with such preferences, voting powers, restrictions, and qualifications thereon not inconsistent with law as shall be expressed in its certificate of incorporation or any amendment thereto. Stock without par value which is preferred as to dividends or as to its distributive share of the assets of the corporation upon dissolution may be made subject to redemption at such times and prices as may be determined in such certificate of incorporation or amendment thereto. In the case of stock without par value which is preferred as to its distributive share of the assets of the corporation upon dissolution, the amount of such preference shall be stated in the certificate of incorporation or amendment thereto.

[1925 c. 333 s. 1] (7470-1)

**300.34 CERTIFICATES OF INCORPORATION; STATEMENTS THEREIN AS TO PAR VALUE, WHAT TO CONTAIN.** In any case in which the par value of the shares of stock of a corporation shall be required to be stated in the certificate of incorporation or of any amendment thereto or in any other place, it shall be stated in respect to shares without par value that such shares are without par value; and when the amount of such stock authorized, issued, or outstanding shall be required to be stated, the number of shares thereof authorized, issued, or outstanding, as the case may be, shall be stated and that such shares are without par value.

[1925 c. 333 s. 2] (7470-2)

**300.35 STOCK CERTIFICATES TO SHOW NUMBER OF SHARES.** Each stock certificate issued for shares without nominal or par value shall have plainly written or printed upon its face the number of shares which it represents and no such certificate shall express any nominal or par value of such shares or express any rate of dividend to which it shall be entitled in terms of percentage of any par or other value.

[1925 c. 333 s. 3] (7470-3)

**300.36 VALUE FOR DETERMINING PRESCRIBED MINIMUM OR MAXIMUM CAPITAL.** For the purpose of determining the minimum or maximum capital prescribed by law for stock corporations, but for no other purpose, such shares shall be taken to be of the value of \$10.00 each.

[1925 c. 333 s. 4; 1935 c. 230 s. 1] (7470-4)

**300.37 VALUE OF CAPITAL STOCK FIXED BY DIRECTORS.** For the purpose of any rule of law or of any statutory provision relating to the amount of capital stock issued and represented by shares of stock without par value, except as otherwise provided in this section, such amount shall be taken to be the amount of money or the actual value of the consideration, as fixed by the directors or otherwise in accordance with law, as the case may be, for which such shares of stock shall have been issued. In any case in which stock having a par value shall have been issued with stock without par value for a specified consideration, in determining the amount of the capital stock issued and represented by shares of stock without par value, the par value of such stock having a par value shall first be deducted from the amount of the money or actual value of the consideration determined, as aforesaid, and the excess thereof, if any, shall be taken to be the amount of capital stock represented by the shares of stock without par value so issued.

[1925 c. 333 s. 5] (7470-5)

**300.38 INCREASE OR REDUCTION OF VALUE OF CAPITAL STOCK.** The number of authorized shares of stock without par value may be increased or reduced in the manner and subject to the conditions provided in section 300.45 and acts supplemental thereto. All other statutory provisions relating to stock having a par value, so far as the same may be legally, necessarily, or practically applicable to, and not inconsistent with, the provisions of sections 300.33 to 300.43, shall apply to stock without par value.

[1925 c. 333 s. 6] (7470-6)

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**300.39 PAR VALUE STOCK CHANGED TO NON-PAR VALUE STOCK.** Any such corporation may change any of its stock, common or preferred, having a par value, to an equal, greater, or less number of shares of stock having no par value; and in connection therewith may fix the amount of capital stock represented by such shares of stock without par value and any such corporation may reduce its capital stock by reducing the number of shares of its stock whether the same have par value or no par value, or by reducing the par value of shares which have a par value, or by reducing the amount of capital stock represented by shares with no par value, or by any and all of such methods.

[1925 c. 333 s. 7] (7470-7)

**300.40 CERTIFICATES OF INCORPORATION TO PROVIDE FOR CONVERSION OF SHARES.** The certificate of incorporation, or any amendment thereto, of any such corporation may provide that shares of stock of any class shall be convertible into shares of stock of any other class upon such terms and conditions as may be therein stated, except that shares of stock without par value shall not be convertible into shares of stock having par value.

[1925 c. 333 s. 8] (7470-8)

**300.41 POWERS OF DIRECTORS TO ISSUE STOCK.** Subject to any limitations and restrictions set forth in the certificate of incorporation, any such corporation may, at any meeting called and held for that purpose, empower its directors to issue shares of its unissued, authorized capital stock without par value and may authorize its directors to fix the amount of money or the actual value of the consideration for which such stock shall be issued; provided the certificate of incorporation, or any amendment thereto, of any such corporation may empower the directors thereof to issue from time to time shares of such stock without par value for such consideration as the directors may deem advisable, subject to such limitations and restrictions as may be set forth therein.

[1925 c. 333 s. 9] (7470-9)

**300.42 COMPUTATION OF VALUE OF STOCK.** For the purpose of determining the amount of stock held or owned by any stockholder, shares without par value shall be computed at the value, at the time of issue, of the cash, property, services, or expenses for which they were issued, but not including paid-in surplus.

[1925 c. 333 s. 10] (7470-10)

**300.43 LAWS APPLICABLE.** Except as otherwise provided herein all laws applicable to corporations having shares of stock with par value shall apply to corporations issuing shares without par or face value.

[1925 c. 333 s. 11] (7470-11)

**300.44 OFFICES WITHOUT AND WITHIN THE STATE.** Every domestic corporation may establish offices and conduct business in any other state or country; provided an office, in charge of some person upon whom legal process affecting it may be served, is always maintained in this state.

[R. L. s. 2870] (7471)

**300.45 AMENDMENTS TO CERTIFICATES OF INCORPORATION.** The certificate of incorporation of any corporation now or hereafter organized and existing under the laws of this state may be amended so as to change its name, or so as to increase or decrease its capital stock, or so as to change the number and par value of the shares of its capital stock, or in respect to any other matter which an original certificate of a corporation of the same kind might lawfully have contained, by the adoption of a resolution specifying the proposed amendment at a regular meeting or at a special meeting called for that expressly stated purpose, in either of the following ways:

- (1) By majority vote of all its shares, if a stock corporation; or, if not;
- (2) By majority vote of its members; or, in either case,
- (3) By a majority vote of its entire board of directors, trustees, or other managers within one year after having been thereto duly authorized by specific resolution duly adopted at such meeting of stockholders or members, and causing the resolution to be embraced in a certificate duly executed by its president and secretary, or other presiding and recording officers, under its corporate seal, and approved, filed, recorded, and published in the manner prescribed for the execution, approval, filing, recording, and publishing of a like original certificate. If such amendment be made for the purpose of changing the principal place of the business

of such corporation, the certificate shall be published, filed, and recorded in the office of the register of deeds of the county of such principal place of business immediately prior to such amendment and recorded in the county where the business is to be carried on after the amendment.

As to a local building and loan association and corporations organized for the establishing, maintaining, and operating of hospitals not for profit, the resolution to amend may be adopted as above provided or by a two-thirds vote of the stockholders or members of the association attending the meeting in person or by proxy.

[R. L. s. 2871; 1913 c. 247 s. 1; 1917 c. 404 s. 1; 1923 c. 405 s. 1; 1927 c. 293; 1929 c. 275] (7472)

**300.46 CORPORATIONS NOT ORGANIZED FOR PECUNIARY PROFIT; TRUSTEES; NUMBER OF CHANGED.** Any corporation other than those for pecuniary profit heretofore or hereafter incorporated by virtue of any law of this state may by resolution of its board of trustees adopted at any regular or called meeting by a majority vote thereof increase or decrease the number of trustees of such corporation and provide for their election and may in such resolution provide for the number of trustees of the corporation which shall constitute a quorum. A copy of the resolution, subscribed and sworn to by the president and secretary of the corporation, shall be recorded in the office of the register of deeds of the county where the corporation is located and in the office of the secretary of state.

[1917 c. 155 s. 1] (7473)

**300.47 CERTAIN SOCIAL AND EDUCATIONAL CORPORATIONS MAY AMEND ARTICLES.** Any educational corporation or association organized under the laws of this state for social or educational purposes without capital stock and having 10,000 or more members may amend its articles of incorporation or may adopt new articles of incorporation by a majority vote of the members present and voting thereon at any general or special meeting of its members, provided at least 3,000 members are present at such meeting and that the notice of such meeting shall have stated such proposed action would come up for consideration thereat. It shall be sufficient if the notice state generally that the matter of amending the articles or the adoption of new articles will come up for consideration at the meeting. The amendment or the new articles so adopted shall become effective upon the filing thereof with the secretary of state, accompanied by a certificate signed by the president and secretary of the corporation or association certifying the adoption thereof, as herein provided.

[1933 c. 167 s. 1] (7473-1)

**300.48 CERTAIN CORPORATIONS MAY HAVE TERRITORIAL UNITS IN STATE AND A GENERAL GOVERNMENTAL BODY.** Any such corporation or association may provide in its articles or by-laws for the division of the state into two or more territorial units or divisions with such organization, powers, and authority as shall be prescribed therein and for a general governmental body to be composed of members elected by such territorial units or divisions and such ex-official and other members as may be prescribed in the articles or in the by-laws. Such body shall have and possess such powers and authority as shall be vested in it by the articles and its by-laws and may include the election of the officers of the corporation or association and an executive board with such powers and authority as may be prescribed in the articles or by-laws or be fixed by such general governmental body, if any.

[1933 c. 167 s 2] (7473-2)

**300.49 FILING FEES.** Subdivision 1. **Paid to state treasurer.** Domestic corporations shall pay to the state treasurer the following fees:

(1) For filing articles of incorporation or instruments extending or renewing corporate existence, \$25.00 for the first \$25,000, or fraction thereof, of the par value of its authorized shares, and 50 cents for each additional \$1,000, or fraction thereof;

(2) For filing any amendment of articles of incorporation increasing the authorized number of shares, or the par value of shares previously authorized, or both, 50 cents for each \$1,000, or fraction thereof, of such increase.

Subdivision 2. **Value of shares fixed.** For the purpose of determining the fees prescribed by subdivision 1, but for no other purpose, shares without par value shall be deemed to have a par value of \$10.00 each, unless such shares are entitled to priority over other shares upon liquidation, in which case the involuntary liquidation price stated in the articles of incorporation shall be deemed to be the par value thereof; or unless the capital stock is reduced pursuant to section 300.29

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in which case shares without par value shall be computed at the value, at the time of filing the amendment to the articles of incorporation, as shown by a verified statement of assets and liabilities subscribed by the president and the secretary of the corporation.

Subdivision 3. **Exceptions.** This section shall not apply to cooperative associations or corporations organized without capital stock and not for pecuniary profit.

[R. L. s. 2873; 1907 c. 329; 1909 c. 202 s. 1; 1935 c. 230 s. 2; 1945 c. 238 s. 1] (7475)

**300.50 COUNTY AGRICULTURAL SOCIETIES MAY RENEW CORPORATE EXISTENCE.** Any corporation heretofore or hereafter organized as a county agricultural society under any law of this state is hereby authorized to extend the term of its corporate life in the manner prescribed by law without the payment of any filing fee or other fee to the State of Minnesota.

[1931 c. 165] (7475-1)

**300.51 CERTIFICATE OF INCORPORATION ISSUED BY SECRETARY OF STATE.** Whenever any such corporation, whose incorporation has been completed, shall make application therefor to the secretary of state and pay the prescribed fee, he shall execute, record, and issue a certificate, specifying the names of its incorporators, its nature and purpose, the amount of its capital stock, the fact of its compliance with all prescribed statutory provisions, and that it is duly organized and exists as a corporation under the name and of the kind specified, with the powers, rights, and privileges, and subject to the limitations and restrictions pertaining thereto. Such certificate shall be prima facie evidence of the facts stated therein.

[R. L. s. 2874] (7476)

**300.52 MEETINGS.** Subdivision 1. **How called.** The first meeting of every corporation, except as otherwise prescribed in its certificate of incorporation, shall be called upon not less than three weeks' prior personal or published notice, signed by one of the incorporators, to the others, and to each subscriber, if any, to its capital stock, specifying the time, place, and purpose thereof. Unless otherwise provided in the certificate of incorporation or corporate by-laws, every annual meeting shall be called and held at its principal place of business upon three weeks' published notice thereof, signed by its secretary, and no business transacted at any annual meeting not so called and held shall be effectual. The manner of calling and holding all meetings may be prescribed by its by-laws.

Subdivision 2. **Members may call, when.** When by reason of the death, absence, or other legal disability of the officers of any corporation there is no person authorized to call or preside at a legal meeting thereof, any three or more of its stockholders or members may call a meeting by giving to all the others the notice prescribed in subdivision 1 and designating therein some person to preside at such meeting until a chairman and clerk are chosen, who shall act during the absence of those authorized to act in one or both of those capacities, respectively. Any business may be done at such meeting which could be lawfully transacted at a regular meeting.

[R. L. ss. 2875, 2876] (7477, 7478)

**300.53 IRREGULAR MEETINGS, HOW VALIDATED.** When all the stockholders or members of a corporation are present or duly represented at any meeting, however called or notified, and duly execute a written assent thereto on the records thereof the business transacted at such meeting shall be as valid as if it had been legally called.

[R. L. s. 2877] (7479)

**300.54 CAPITAL STOCK; HOW CLASSIFIED AND ISSUED.** Save as otherwise specially limited or provided no corporation shall issue any share of stock for a less amount to be actually paid in than the par value of those first issued. Any railroad or exclusively manufacturing corporation may issue and dispose of such an amount of special preferred, or full-paid stock as may be deemed advisable by its board of directors. Any corporation, whose original or amended certificate of incorporation so provides, may issue and dispose of special and preferred and common stock, or special or preferred and common stock; and any corporation, without change of its certificate of incorporation, when its board of directors is so authorized by a majority vote of its stockholders at its annual meeting, or at a meeting called for that specifically stated purpose, may issue its capital stock, part

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special, part preferred, and part common, or part common and part either special or preferred, and give such preference as it deems best to such special or preferred stock, or to such special and preferred stock.

[R. L. s. 2878] (7480)

**300.55 STOCK CERTIFICATES, TO WHOM ISSUED.** Upon payment in full of all amounts due any corporation from any person upon any certificate of its stock, and the surrender of all receipts, if any, issued therefor, he shall be furnished with a certificate, under the corporate seal, stating the number of shares and class of its stock owned by him, signed by its president or vice-president, and by its secretary, under its corporate seal. The certificate shall be prima facie evidence of such ownership.

[R. L. s. 2879] (7481)

**300.56 NEW CERTIFICATE.** Every corporation, on the surrender of a worn-out or defaced certificate, shall issue a new one therefor, without indemnity. When an affidavit stating the loss or destruction of any certificate of its stock shall be presented to the directors of any corporation they shall cause a new one to be issued to the owner thereof, but may in their discretion first require a satisfactory bond for not more than double the market value of the stock to indemnify the corporation against any claim arising from the issue of such new certificate. On giving such bond the corporation shall issue such new certificate. If the evidence is clear that the certificate has been lost or destroyed and has not been heard of for seven years, it shall be the duty of the corporation to issue a new certificate without indemnity and the secretary or other proper officer shall make a report thereof in his register of shareholders and the corporation shall be released from all damages in reference thereto.

[R. L. s. 2880] (7482)

**300.57 EXECUTORS, ADMINISTRATORS, GUARDIANS, TRUSTEES MAY VOTE.** Every executor, administrator, guardian, or trustee shall represent the shares of stock in his hands, for all purposes, at all meetings of the corporation; and, while acting in good faith, shall not be personally liable, but the estates and funds in his hands shall be liable in like manner and to the same extent as the beneficiary or other represented party or interest would be if competent to act and holding the stock in their own names, respectively.

[R. L. s. 2881] (7483)

**300.58 DISSOLUTION OF CORPORATIONS.** When any corporation, except a bank of discount and deposit or a savings bank, has determined, upon the affirmative vote of a majority of each class of its stock entitled to vote, or of its members, if without capital stock, that it is for the interest of all persons concerned therein that it be dissolved, it may cause appropriate action to be taken to effect such dissolution.

[R. L. s. 2882] (7484)

**300.59 CONTINUANCE TO CLOSE AFFAIRS.** Every corporation whose existence terminates by limitation, forfeiture, or otherwise shall continue for three years thereafter for the purpose of prosecuting and defending actions, closing its affairs, disposing of its property, and dividing its capital, but for no other purpose.

[R. L. s. 2883] (7485)

**300.60 DIVERSION OF CORPORATE PROPERTY A FELONY.** The diversion of corporate property to other objects than those specified in the recorded and published certificate, where injury to any individual results therefrom, the declaring of dividends when the profits are insufficient to pay the same or when the funds remaining will not meet the corporate liabilities, or any intentional deception of the public or individuals in relation to its means or liabilities, are felonies, and every person guilty of any one of them shall be punished by a fine of not more than \$5,000 or by imprisonment in the state prison for not more than three years, or by both.

[R. L. s. 2884] (7489)

**300.61 FALSE STATEMENT A FELONY.** Every officer, agent, or employee of any corporation who shall knowingly and wilfully subscribe or make any false statement, false report, or false entry in or upon any of the books, papers, or other documents thereof, or in behalf thereof, or knowingly and wilfully subscribe or

exhibit any false paper, book, or document with intent to deceive any person or officer authorized to examine the financial condition of any such corporation, or knowingly and wilfully subscribe or make any false report, shall be guilty of a felony and punished by imprisonment in the state prison for not less than one year, nor more than ten years.

[R. L. s. 2885] (7490)

**300.62 EXISTING CORPORATION, HOW TO REORGANIZE.** Any existing corporation whose certificate or charter does not conform to the requirements of this chapter may cause to be executed by its president and secretary a new or amended certificate in compliance herewith and, upon proceeding in all respects as is prescribed in the case of an original certificate of a corporation of the same kind, shall become entitled to all rights, benefits, and privileges conferred, and subject to all the requirements imposed, upon like corporations by the provisions of this chapter, save that its rights in respect to property acquired or investments made prior to the taking effect of Revised Laws 1905 shall be determined and governed by the laws in force at the date of such acquisition and investment, respectively.

[R. L. s. 2886] (7491)

**300.63 ATTORNEY GENERAL TO EXAMINE.** When required by the governor the attorney general shall examine into the affairs and condition of any corporation and report such examination in writing, together with a detailed statement of the facts found, to the governor, who shall lay the same before the legislature; and the legislature, or either branch thereof, may examine into the affairs and condition of any such corporation. The attorney general, or either branch of the legislature through a committee appointed by it for that purpose, may administer oaths to and examine the directors and officers of any corporation on oath in relation to its affairs and condition, may examine the vaults, books, papers, and documents belonging thereto or pertaining to its affairs and condition, and compel the production of all keys, books, papers, and documents.

[R. L. s. 2887] (7492)

**300.64 WITHDRAWAL OF CAPITAL; LIABILITY OF STOCKHOLDERS; PAYMENT OF DIVIDEND WHEN INSOLVENT, ASSENTING DIRECTORS LIABLE.** If the capital stock of a manufacturing corporation is withdrawn and refunded to the stockholders before the payment of corporate debts for which it would have been liable, the stockholders shall be liable to any creditor, to the amount of the sum so refunded to each of them, respectively; but, if, in any action under this statute, any stockholder shall be compelled to pay any such debt, he may call upon every stockholder to whom any part of such stock has been refunded to contribute his proportionate share of the sum so paid by him. If the directors shall pay a dividend when such corporation is insolvent, knowing such corporation to be insolvent, or that such dividend would render it so, or when its payment would render it insolvent, those assenting thereto shall be jointly and severally liable in an action on the statute for all debts due from such corporation at the time of such dividend. Every officer who shall intentionally neglect or refuse to perform any duty imposed upon him by law shall be liable for all corporate debts contracted during the period of such neglect; and, if the corporation shall violate any provision of law whereby it becomes insolvent, the directors ordering or assenting to such violation shall be liable in an action under the statute for all debts contracted after such violation.

[R. L. s. 3069] (7776)

**300.65 MEETINGS OF MINING CORPORATIONS, WHERE HELD; MAY HOLD STOCK IN OTHER COMPANIES; FRAUDULENT ISSUE OF STOCK A FELONY.** The directors, managing officers, or stockholders of a mining corporation may meet and transact business without the state, and may establish offices elsewhere; but an office shall always be maintained within the state where legal process may be served. Every such corporation may acquire and hold stock in any other corporation, if a majority in amount of the stockholders agree thereto. Every officer of such corporation or other person who shall fraudulently issue, or cause to be issued, any stock, scrip, or evidence of corporate debt, or who shall sell, offer for sale, hypothecate, or otherwise dispose of any such stock, scrip, or evidence of debt, knowing the same to be fraudulently issued, shall be guilty of a felony.

[R. L. s. 3071] (7778)