

CHAPTER 303

MINNESOTA FOREIGN CORPORATION ACT

303.01 CITATION.

The Grand Army of the Republic (GAR) is a corporation created by congress acting as local legislature for the District of Columbia, and is a domestic corporation of that district, and a foreign corporation under Minnesota practice. *Pierce v Grand Army*, 220 M 552, 20 NW(2d) 489.

Minnesota statute relating to filing and licensing fees is valid as applied to a federally licensed custom-house broker whose business was localized in the state; and does not conflict with existing federal laws and regulations or the commerce clause of the constitution. *Union Brokerage v Jensen*, 322 US 206, 64 SC 969.

Appointment of a local receiver to marshal and distribute corporate assets of foreign corporation within the state. 16 MLR 204.

Jurisdiction over foreign corporations. 17 MLR 270.

303.02 DEFINITIONS.

As the investment of funds was incidental to and part of its business of life insurance, a foreign life insurance company, licensed to do life insurance business in the state could invest funds received from policy holders in mortgages and securities without obtaining a license for that purpose. *Flakne v Metropolitan Life*, 198 M 465, 270 NW 566.

"Arising out of business done in the state." 7 MLR 380.

303.03 FOREIGN CORPORATIONS MUST HAVE CERTIFICATE OF AUTHORITY.

A foreign corporation which ships goods on orders received by mail from purchasers in this state, and which pays a commission to a resident of this state for procuring orders if they are accepted, but gives him no authority to accept orders or make contracts, is not doing business in this state in the sense required to give the courts of this state jurisdiction over it. *Abramovich v Continental Can Co.* 166 M 151, 207 NW 201.

Purchase of several rent-producing pieces of real estate by a foreign corporation, not licensed to do business in this state, and its management of them for a substantial period was a transaction of business by the corporation in a manner requiring a foreign corporation license; the testimony, including that of the president of the corporation, that the said president was doing business as a sole trader under a firm name, notwithstanding. *Vogt v Ganley*, 185 M 442, 242 NW 338.

The defendant a foreign corporation while licensed to do an insurance business within the state took a real estate mortgage. A foreclosure of the mortgage, under power, after its license to do insurance business in the state was no longer effective, was a valid foreclosure. *Morris v Penn Mutual*, 196 M 403, 265 NW 278; *Flakne v Metropolitan*, 198 M 465, 270 NW 566; *Babcock v Bancamerica-Blair*, 212 M 428, 4 NW(2d) 89.

The fact that a soliciting agency, doing a general solicitation business in the state for foreign railways and steamship lines, was employed here to solicit passenger traffic on defendant's ocean steamships, and to sell, but not to issue tickets, was not a sufficient doing business by defendant in Minnesota, to subject it to the jurisdiction of the state court. *Gloeser v Dollar Steamship Lines*, 192 M 376, 256 NW 666.

MINNESOTA STATUTES 1947 ANNOTATIONS

303.05 MINNESOTA FOREIGN CORPORATION ACT

738

A foreign corporation which regularly and systematically solicited orders for transmission to its home office outside the state, producing a regular flow of its products to customers in this state, and permitted its agents to adjust and compromise disputes with customers, and to display its wares at fairs and conventions held in Minnesota, is doing business in the state and amenable to process here. *Dahl v Collette*, 202 M 544, 279 NW 561.

When a foreign social and charitable corporation pursues within our limits the purposes for which it is organized, it is doing business in Minnesota and amenable to process here. *High v Supreme Lodge*, 206 M 599, 289 NW 519.

The Grand Army of the Republic (GAR) is a corporation created by congress acting as local legislature for the District of Columbia, and is a domestic corporation in that district, and a foreign corporation under Minnesota practice. *Pierce v Grand Army*, 220 M 552, 20 NW(2d) 489.

Subscription to stock as "doing business." 6 MLR 247.

303.05 NAMES OF CORPORATIONS.

Injunction to restrain unfair competition by defendant's use of plaintiff's trade-name. 19 MLR 477.

303.08 ISSUANCE OF CERTIFICATE OF AUTHORITY.

Jurisdiction over foreign corporations. 17 MLR 270, 289; 19 MLR 556.

303.09 POWERS SAME AS DOMESTIC CORPORATION.

Stockholders of a foreign corporation which has forfeited its charter and terminated its existence may, under the facts in the instant case, prosecute an action for the appointment of a receiver, and for a money judgment, to marshal the assets and under orders of the court pay creditors and distribute residue to stockholders. *Lind v Johnson*, 183 M 239, 236 NW 317.

A state may exercise through its courts jurisdiction over a foreign corporation insofar as the latter has consented to the exercise thereof; but the existence and extent of the right of the members of a corporation to control the actions of the corporate officers and agents is determined by the law of the state of incorporation. *Farmers Educational Union v Farmers Co-Operative Union*, 207 M 80, 289 NW 884.

The right of plaintiffs to have their stock redeemed or retired in case of the sale of all the assets of a Delaware corporation to a Minnesota corporation for the latter's stock is governed by the law of Delaware, and under that law the sale was authorized. *Peterson v New England Co.* 210 M 449. 299 NW 208.

Where a corporation, organized under the laws of one state, transacts no business there and establishes its principal office in another, where it manages and directs its business, it acquires a commercial domicile there, by virtue of which it is subject to taxation there on its intangibles. *Cargill v Spaeth*, 215 M 540, 10 NW(2d) 728.

Jurisdiction of a court to interfere with the internal affairs of a foreign corporation. 18 MLR 192, 221.

303.10 OFFICE AND AGENT.

The agency created by the appointment is for the benefit of those who have a right to rely upon its existence in transacting business with the corporation and is not coupled with an interest in favor of one who subsequently deals with the corporation. *Fletcher v Southern Colonization Co.* 148 M 143, 181 NW 205.

A foreign corporation which has ceased doing business in the state and withdrawn therefrom except that, in obedience to statute, it has left here a continuing agent for personal service of process in actions arising from its Minnesota business, is, in contemplation, and as result of law, continuously present here for service upon it in such actions. Hence the running of the statute of limitations is not

MINNESOTA STATUTES 1947 ANNOTATIONS

739

MINNESOTA FOREIGN CORPORATION ACT 303.13

tolled by its qualified departure from the state. *Pomeroy v National City Co.* 209 M 155, 296 NW 513.

Qualification under Minnesota law and appointment of a state agent by a foreign corporation is a consent by the corporation permitting suit to be brought against it in the federal court of the district of Minnesota. *Arney v. Central Electric and Gas Co.* 66 F. Supp. 401.

Liability of agents of foreign corporations failing to comply with statutory requirements. 11 MLR 71.

303.13 SERVICE OF PROCESS.

The established policy in this state permits the serving of transitory actions, against foreign corporations, regardless of where the cause of action arose, if they may be reached by process. *Erving v Chicago & Northwestern*, 171 M 87, 214 NW 12.

To obtain jurisdiction over a foreign corporation operating railways or steamship lines outside of this state, but none in this state, where no property of the corporation is attached or seized or present in the state, the corporation must be doing business here of such a nature and character as to warrant the inference that it has subjected itself to the local jurisdiction and is by its duly authorized officer or agent here present. *Gloser v Dollar Lines*, 192 M 376, 256 NW 666.

An agent of a foreign corporation who is authorized to solicit orders and to compromise claims is a proper agent for service upon the corporation. *Dahl v Collette*, 202 M 544, 279 NW 561.

When a foreign social and charitable corporation pursues within the state limits the purposes for which it is organized, it is doing business in Minnesota and amenable to process here. The chief local officer, appointed by and responsible to the foreign corporation, is a proper person to serve as agent of the corporation. *High v Supreme Lodge of Moose*, 206 M 579, 289 NW 519.

Where the act complained of affects the plaintiff solely in his capacity, as a member, and is the act of the corporation, or through its agents, then such action is the management of the internal affairs of the corporation, and, in case of a foreign corporation, our courts will not as a rule take jurisdiction. *Farmers Educational Union v Farmers Co-Operative Union*, 207 M 80, 289 NW 884.

Defendant entered the state in May 1929 and withdrew in October 1931; never appointed a state agent nor complied with provisions of sections 80.14, 323.10 or 323.11. Never registered any securities nor applied for a license to sell securities, and the securities sold to plaintiff were never registered with the securities commissioner. The service of the summons upon the deputy commissioner of securities is quashed. *Babcock v Bancamerica-Blair Co.* 212 M 428, 4 NW(2d) 89.

Service of process on soliciting agent as constituting due process of law. 6 MLR 309, 325.

Arising out of business done in the state. 7 MLR 380.

Service of process on designated state official as service on foreign corporation doing business within the state. 11 MLR 559.

Suits against foreign corporations as a burden on interstate commerce. 17 MLR 381.

Constitutional problems arising from service of process of foreign corporations. 19 MLR 375.

What acts constitute doing business within the state sufficient to give personal jurisdiction over foreign carriers; service of process. 19 MLR 556, 594.

Chain broadcasting as doing business; service of process on foreign corporations. 21 MLR 594.

Effect of withdrawal of a foreign corporation from the state on the right to assert statute of limitations as a defense where such corporation has remained amenable to service. 23 MLR 829; 24 MLR 415.

MINNESOTA STATUTES 1947 ANNOTATIONS

303.14 MINNESOTA FOREIGN CORPORATION ACT

740

303.14 ANNUAL REPORT.

Reports under Minnesota and Delaware laws. 22 MLR 662.

303.15 SECRETARY OF STATE TO FIX LICENSE FEE.

Where the certificate of authority of a foreign corporation is revoked, and later there is a reinstatement, the corporation is entitled to credit for prior payments made. OAG June 20, 1947 (92-C).

Validity of state franchise tax on foreign corporations measured by a non-taxable subject. 17 MLR 824.

303.16 WITHDRAWAL FROM STATE.

Having entered the state a foreign corporation may withdraw at any time; and this jurisdiction of the state ceases when the corporation withdraws from the state and discontinues doing business. *Garber v Bancamerica-Blair*, 205 M 275, 288 NW 723; *Sivertsen v Bancamerica-Blair*, 43 F. Supp. 233.

303.17 REVOCATION OF LICENSE.

Statute providing for revocation of the license of a foreign corporation when it removes a case to a federal court is unconstitutional. 6 MLR 407.

303.18 CANCELATION OF CERTIFICATE OF AUTHORITY.

A foreign corporation accepts its license admitting it to this state subject to the proper exercise by the state of the police power; and if such corporation violates a valid law of the state enacted after its admission, the license so issued may be adjudged forfeited. *State v Creamery Package Co.* 110 M 416, 126 NW 126, 623.

303.19 REINSTATEMENT.

Where the certificate of authority of a foreign corporation is revoked, and later there is a reinstatement, the corporation is entitled to credit for prior payments made. OAG June 20, 1947 (92-C).

303.20 FOREIGN CORPORATION MAY NOT MAINTAIN ACTION UNLESS LICENSED.

The limited and defined control which federal authority asserts over custom-house brokers does not deny to Minnesota the power to subject a foreign corporation licensed as a custom-house broker under the federal tariff act to the same demands which Minnesota makes of all other foreign corporations seeking facilities of Minnesota courts. *Union Brokerage v Jensen*, 64 SC 967.

Jurisdiction over causes of action arising out of business not done in the state of the forum. 10 MLR 520, 536.

303.22 APPLICABLE TO PRESENT CORPORATIONS.

Jurisdiction of a court to interfere with the internal affairs of a foreign corporation. 18 MLR 192.