

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
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1 complying with the provisions of AS 10.21.688, if the corporation holds assets subject to a valid
2 condition requiring return, transfer, or conveyance, and the condition has occurred or will occur
3 by reason of the dissolution, the assets shall be returned, transferred, or conveyed in accordance
4 with the condition.

5 Sec. 10.21.695. DISPOSAL OF CORPORATE ASSETS; DISPOSITION BY COURT
6 ORDER. (a) Subject to the provisions of AS 10.21.688, except as provided in AS 10.21.693,
7 all of a corporation's assets shall be disposed of on dissolution in conformity with its articles or
8 bylaws and complying with the provisions of a trust under which assets are held.

9 (b) Except as provided in (c) of this section, the disposition required in (a) of this section
10 shall be made by decree of the superior court in proceedings to which the commissioner is a
11 party. The decree shall be made on the petition of the commissioner or, on 30 days notice to the
12 commissioner by a person interested in the dissolution.

13 (c) The disposition required in (a) of this section may be made without the decree of the
14 superior court, subject to the rights of persons concerned in the dissolution, if the commissioner
15 makes a written waiver of objections to the disposition.

16 (d) Notwithstanding the provisions of (a) of this section, assets held in a charitable trust
17 under AS 10.21.185 shall be disposed of under AS 10.21.615(a) as if the mutual benefit
18 corporation were a public benefit corporation.

19 Sec. 10.21.698. DISTRIBUTIONS. After complying with the provisions of
20 AS 10.21.688, and except as otherwise provided in AS 10.21.693 and 10.21.695, assets held by
21 a corporation shall be disposed of on dissolution as follows:

22 (1) if the articles or bylaws provide the manner of disposition, the assets shall be
23 disposed of in that manner; or

24 (2) if the articles or bylaws do not provide the manner of disposition, the assets
25 shall be distributed among the members (AS 10.21.990) in accordance with their rights in the
26 corporation.

27 Sec. 10.21.700. DISTRIBUTIONS AUTHORIZED IN MONEY, PROPERTY, OR
28 SECURITIES; INSTALLMENTS. Subject to the provisions of a trust under which assets to be
29 distributed are held, distribution of assets may be made either in money, property, or securities
30 and either in periodic installments or as a whole, if this can be done fairly and ratably and in
31 conformity with the provisions of the articles and bylaws and shall be made as soon as

1 reasonably consistent with the beneficial liquidation of the corporation's assets.

2 Sec. 10.21.703. ADOPTION OF PLAN NOT IN ACCORDANCE WITH LIQUIDATION
3 RIGHTS. (a) If a corporation in the process of winding up has more than one class of
4 memberships outstanding, a plan of distribution of the memberships, obligations, or securities of
5 another corporation, domestic or foreign, or assets other than money that is not in accordance
6 with the liquidation rights of a class under the articles or bylaws may be adopted if approved by
7 the board (AS 10.21.990(6)) and a majority of all members (AS 10.21.990(4)) of each class.

8 (b) A plan adopted under (a) of this section may provide that the distribution is in
9 complete or partial satisfaction of the rights of members on distribution and liquidation of the
10 assets.

11 (c) A plan of distribution approved under (a) of this section is binding upon all members.
12 The board shall mail notice of the adoption of the plan within 20 days after its adoption to all
13 members having a liquidation preference under the articles or bylaws.

14 Sec. 10.21.705. RECOVERY OF IMPROPER DISTRIBUTIONS. (a) If a distribution
15 of assets has been made in the process of winding up a corporation without a court order and
16 without prior payment or adequate provision for payment of the debts and liabilities of the
17 corporation, the amount improperly distributed to a person may be recovered by the corporation.
18 A person who received an improper distribution may be joined as a defendant in the same action
19 or be brought in on the motion of another defendant.

20 (b) Suit may be brought in the name of the corporation to enforce the liability under (a)
21 of this section against a person receiving a distribution by the commissioner or by a creditor of
22 that corporation, whether or not the creditor has reduced the claim to judgment.

23 (c) A member (AS 10.21.990) who satisfies a liability under this section has a right to
24 ratable contribution from other members similarly liable. A member who has been compelled to
25 return to the corporation more than the member's share of the amount needed to pay the debts
26 and liabilities of the corporation may require the corporation to recover from other members
27 similarly liable a proportion of the amounts received by them on the improper distribution, to
28 give contribution to those held liable under this section, and to make the distribution of the assets
29 fair and ratable, according to the rights and preferences of the memberships, after payment or
30 adequate provision for payment of all the debts and liabilities of the corporation.

31 (d) In this section, "process of winding up" includes a proceeding under AS 10.21.633 -

1 10.21.710 and any other distribution of assets to a person made in contemplation of termination
2 or abandonment of the corporate business.

3 Sec. 10.21.708. EXISTENCE OF CORPORATION AFTER DISSOLUTION. (a) A
4 corporation that is dissolved voluntarily or involuntarily continues to exist for the purpose of
5 winding up its affairs, defending actions by or against it and enabling it to collect and discharge
6 obligations, dispose of and convey its property and collect and divide its assets, but not for the
7 purpose of continuing its activities except to the extent necessary for the winding up.

8 (b) An action or proceeding to which a corporation is a party does not abate by the
9 dissolution of the corporation or by reason of proceedings for winding up and dissolution. A
10 corporation that is dissolved voluntarily or involuntarily may not commence a court action, except
11 under AS 10.21.705.

12 (c) Assets inadvertently or otherwise omitted from the winding up continue in the
13 dissolved corporation for the benefit of the persons entitled to the assets on dissolution of the
14 corporation and on realization shall be distributed to the person entitled.

15 (d) The directors of the corporation on the date of its dissolution, or as determined under
16 AS 10.21.685, shall exercise and have the powers necessary to act under this section.

17 Sec. 10.21.710. SUITS AGAINST PERSONS TO WHOM ASSETS WERE
18 DISTRIBUTED UPON DISSOLUTION; QUIET TITLE ACTION. (a) If a corporation has been
19 dissolved, a person to whom assets were distributed on dissolution may be sued in the corporate
20 name on a cause of action against the corporation that arose before dissolution. Notice of the
21 action shall be given to the commissioner. The commissioner may intervene in a suit brought
22 under this section.

23 (b) Summons or other process against a dissolved corporation may be served by
24 delivering a copy to an officer, director, or person having charge of the corporation's assets or,
25 if the person cannot be found, to an agent upon whom process might be served at the time of
26 dissolution. If it is shown by affidavit to the satisfaction of the court that none of these persons
27 can be found with due diligence then the court may make an order that summons or other process
28 be served upon the dissolved corporation by personally delivering a copy, together with a copy
29 of the order, to the commissioner; service in this manner is complete on the 10th day after the
30 delivery of process to the commissioner.

31 (c) A dissolved corporation survives and continues to exist indefinitely for the purpose

1 of being sued in a quiet title action. A judgment rendered in a quiet title action binds every
2 person having an interest in the corporation, to the extent of their interest. Service of summons
3 or other process may be made as provided in (b) of this section.

4 (d) After receipt of the process under (b) of this section and the fee for filing, the
5 commissioner shall give notice to the corporation at the last known address of the corporation
6 or at the last known address of the last registered agent of the corporation. If those addresses
7 are not known, the commissioner is not required to take any action.

8 (e) This section is procedural in nature and is not intended to determine liability.

9 Sec. 10.21.713. SPECIAL PROVISIONS; DISSOLUTION OF OWNERS
10 ASSOCIATIONS. (a) Notwithstanding a provision in AS 10.21.550 - 10.21.713, if there is a
11 lot, parcel, area, apartment, or unit for which an owners association is obligated to provide
12 management, maintenance, preservation, or control, a corporation formed for those purposes or
13 a person acting on its behalf may not without the approval of 100 percent of the members

14 (1) transfer all or substantially all of the association's assets; or

15 (2) file a certificate of dissolution.

16 (b) A court may not enter an order declaring the owners association duly wound up and
17 dissolved unless there is a judicial determination that the corporate purposes are no longer
18 attainable.

19 (c) In (a) of this section, "approval of 100 percent of the members" means unanimous
20 approval by the affirmative vote of every member of the corporation whether or not the voting
21 rights of some or all of the members have been extinguished by the articles.

22 ARTICLE 11. FOREIGN CORPORATIONS.

23 Sec. 10.21.750. APPLICABILITY TO FOREIGN CORPORATIONS. To the extent
24 provided in this chapter, this chapter is applicable to a foreign corporation (AS 10.21.990) that
25 is authorized to conduct or does conduct affairs in this state.

26 Sec 10.21.753. ADMISSION OF FOREIGN CORPORATION. (a) A foreign
27 corporation may not conduct affairs in this state until it has been issued a certificate of authority
28 from the commissioner. A foreign corporation may not be issued a certificate of authority to
29 conduct affairs in this state that a corporation organized under this chapter is not permitted to
30 conduct.

31 (b) A religious corporation may not be issued a certificate of authority to conduct affairs

1 in this state under this chapter.

2 (c) A foreign corporation may not be denied a certificate of authority because the laws
3 of the state or country under which it is organized governing its organization and internal affairs
4 differ from the laws of this state.

5 Sec. 10.21.758. LIABILITY TO STATE FOR CONDUCTING AFFAIRS WITHOUT
6 CERTIFICATE OF AUTHORITY. A foreign corporation that conducts affairs in this state
7 without a certificate of authority is liable to this state for the years or portions of years during
8 which it conducted affairs in this state without a certificate of authority, in an amount equal to
9 all fees and corporation taxes that would have been imposed by this chapter on the corporation
10 if it had applied for and received a certificate of authority to conduct affairs in this state as
11 required by this chapter and filed all reports required by this chapter, plus all penalties imposed
12 by this chapter for failure to pay the fees, plus a penalty of up to \$10,000 a year or portion of
13 a year for each year it conducted affairs in this state without a certificate of authority. The
14 attorney general shall bring proceedings to recover amounts due the state under this section.

15 Sec. 10.21.760. CONDUCTING AFFAIRS WITHOUT CERTIFICATE OF AUTHORITY
16 AS A BAR TO RIGHT TO SUE. A foreign corporation conducting affairs in this state without
17 a certificate of authority may not maintain an action, suit, or proceeding in a court of this state
18 until it obtains a certificate of authority. A successor or assignee of a foreign corporation
19 conducting affairs without a certificate of authority may not maintain an action, suit, or
20 proceeding in a court of this state on a right, claim, or demand arising out of the conduct of
21 affairs by the corporation in this state until a certificate of authority is obtained by the
22 corporation or by a corporation that has acquired all or substantially all of its assets.

23 Sec. 10.21.763. CONDUCTING AFFAIRS WITHOUT CERTIFICATE OF AUTHORITY
24 NOT AFFECTING CONTRACTS AND RIGHT TO DEFEND ACTION. The failure of a
25 foreign corporation to obtain a certificate of authority to conduct affairs in this state does not
26 impair the validity of a contract or act of the corporation, and does not prevent the corporation
27 from defending an action, suit, or proceeding in a court of this state.

28 Sec. 10.21.765. ACTIVITIES NOT CONSTITUTING CONDUCTING AFFAIRS IN
29 THIS STATE. The activities of a foreign corporation that are not considered to be conducting
30 affairs in this state, for the purposes of this chapter, include

31 (1) maintaining, defending, or settling an action, suit, or an administrative or

1 arbitration proceeding, or the settlement of claims or disputes,

2 (2) holding meetings of directors or members of the corporation, or carrying on
3 other activities concerning the internal affairs of the corporation;

4 (3) maintaining bank accounts;

5 (4) securing or collecting debts, or enforcing rights in property securing debts;

6 (5) granting funds;

7 (6) distributing information to members;

8 (7) conducting an isolated transaction, completed within 30 days, not in the course
9 of a number of repeated transactions of like nature.

10 Sec. 10.21.768. CORPORATE NAME OF FOREIGN CORPORATION. (a) Except as
11 provided in AS 10.21.053, a certificate of authority may not be issued to a foreign corporation
12 unless the corporate name of the corporation

13 (1) contains the word "corporation," "company," "incorporated," or "limited," or
14 an abbreviation of one of these words, or for use in this state, adds at the end of its name one
15 of these words or an abbreviation of one of them;

16 (2) does not contain a word or phrase that indicates or implies that it is organized
17 for a purpose other than the purpose contained its articles or that it is authorized or empowered
18 to conduct the business of banking or insurance;

19 (3) does not contain the word "city," "borough," or "village," or otherwise imply
20 that the corporation is a municipality, but the name of a city, borough, or village may be used
21 in the corporate name;

22 (4) is not the same name as, or undistinguishable on the records of the department
23 from, the name of a domestic corporation existing under the laws of this state or a foreign
24 corporation authorized to conduct affairs in this state, or a name the exclusive right to which is
25 reserved in the manner provided in this title, or the name of a corporation that has in effect a
26 registration of its name as provided in this chapter.

27 (b) The provisions of (a)(1) of this section do not apply to a foreign corporation formed
28 and operated exclusively for a charitable purpose.

29 Sec. 10.21.770. ASSUMED CORPORATE NAME: COMMISSIONER TO CROSS
30 INDEX. (a) Except as provided in AS 10.21.053(b)(3), if a foreign corporation applying for a
31 certificate of authority has a name that is impermissible under AS 10.21.768, it shall select an

1 assumed name, acceptable under the provisions of AS 10.21.768, under which it elects to conduct
2 affairs in this state.

3 (b) The commissioner shall maintain records that cross reference the actual and assumed
4 names of all foreign corporations authorized to conduct affairs in this state.

5 Sec. 10.21.773. CHANGE OF NAME BY FOREIGN CORPORATION. If a foreign
6 corporation authorized to conduct affairs in this state changes its name to one under which a
7 certificate of authority would not be granted to it under this chapter, the certificate of authority
8 of the corporation is suspended and it may not conduct affairs in this state until it has changed
9 its name to a name available to it under the laws of this state.

10 Sec. 10.21.775. APPLICATION FOR CERTIFICATE OF AUTHORITY. To receive a
11 certificate of authority to conduct affairs in this state a foreign corporation shall apply in
12 duplicate to the commissioner.

13 Sec. 10.21.778. CONTENTS OF APPLICATION. An application for a certificate of
14 authority must set out

15 (1) the name of the corporation and the assumed name, if any, or, if the name of
16 the corporation is required by this chapter to, but does not, contain the word "corporation,"
17 "company," "incorporated" or "limited," or an abbreviation of one of these words, the name of
18 the corporation with the word or abbreviation that it elects to use in this state;

19 (2) the date of incorporation and the period of duration of the incorporation;

20 (3) the address of the principal office of the corporation in the state or country
21 under whose laws it is incorporated;

22 (4) the address of the proposed registered office of the corporation in this state,
23 and the name of its proposed registered agent in this state at that address;

24 (5) the purpose the corporation proposes to pursue in the conduct of affairs in this
25 state;

26 (6) the names and addresses of the directors and officers of the corporation;

27 (7) a statement of the number of memberships that the corporation may issue,
28 itemized by classes;

29 (8) a statement of the number of members itemized by classes;

30 (9) an estimate expressed in dollars of

31 (A) the value of all property to be owned by the corporation during the

- 1 following year, wherever located;
- 2 (B) the value of the property of the corporation to be located in this state
- 3 during the following year;
- 4 (C) the gross amount of all income that will be earned by the corporation
- 5 during the following year; and
- 6 (D) the gross amount of income that will be generated by the corporation
- 7 at or from offices in this state during the following year;
- 8 (10) additional information necessary or appropriate to enable the commissioner
- 9 to determine whether the corporation is entitled to a certificate of authority and to determine and
- 10 assess the fees prescribed in this chapter that are payable;
- 11 (11) the name and address of a person holding at least five percent of the
- 12 members of the corporation, and the percentage of control held by that person; in this paragraph,
- 13 "percentage of control" means the percentage of the members of the entire board of directors
- 14 (AS 10.21.990(18)) that a person has the power to elect or designate.

15 **Sec. 10.21.780. FILING OF APPLICATION FOR CERTIFICATE OF AUTHORITY.**

16 The application of the corporation for a certificate of authority shall be submitted on forms

17 prescribed and furnished by the commissioner. Duplicate originals of the application executed

18 by the board chair, president, or vice-president, and by the secretary or assistant secretary, and

19 verified by one of the officers signing the application, together with a verified copy of the articles

20 and all amendments to the articles, shall be delivered to the commissioner for processing under

21 AS 10.21.905 and issuance of a certificate of authority.

22 **Sec. 10.21.783. EFFECT OF CERTIFICATE OF AUTHORITY.** On the issuance of a

23 certificate of authority by the commissioner, the corporation may conduct affairs in this state for

24 the purpose set out in its application, subject, however, to the right of this state to suspend or

25 revoke the authority as provided in this chapter.

26 **Sec. 10.21.785. AMENDED CERTIFICATE OF AUTHORITY.** (a) A foreign corpora-

27 tion authorized to conduct affairs in this state shall obtain an amended certificate of authority if

28 it changes its corporate name, or desires to pursue in this state other or additional purposes than

29 those set out in its earlier application for a certificate of authority.

30 (b) The requirements as to form and content of an application for an amended certificate

31 of authority, the manner of its execution, the filing of duplicate originals of the application with

1 the commissioner, and the issuance of an amended certificate of authority are the same as in the
2 case of an original application for a certificate of authority.

3 Sec. 10.21.788. POWERS OF FOREIGN CORPORATION. A foreign corporation that
4 has received a certificate of authority enjoys, until a certificate of revocation or of withdrawal
5 is issued as provided in this chapter, the same, but no greater, rights and privileges as a domestic
6 corporation organized for the purposes set out in the application under which the certificate of
7 authority is issued and, except as otherwise provided in this chapter, is subject to the duties,
8 restrictions, penalties and liabilities imposed on a domestic corporation of like character.

9 Sec. 10.21.790. REVOCATION OF CERTIFICATE OF AUTHORITY. A certificate of
10 authority of a foreign corporation to conduct affairs in this state may be revoked by the
11 commissioner if

12 (1) the corporation has failed to file and, if required, publish any document or pay
13 a fee required under this chapter as provided in AS 10.21.578;

14 (2) the corporation fails to appoint and maintain a registered agent in this state;

15 (3) the corporation fails, after change of its registered office or registered agent,
16 to file with the commissioner a statement of the change as required by this chapter;

17 (4) the corporation fails to file with the department an amendment to its articles
18 of incorporation or articles of merger within the time prescribed by this chapter; or

19 (5) a misrepresentation of a material matter has been made in an application,
20 report, affidavit, or other document submitted under this chapter.

21 Sec 10.21.793. LIMITATIONS ON REVOCATION OF CERTIFICATE OF
22 AUTHORITY. The commissioner may not revoke a certificate of authority of a foreign corpora-
23 tion unless

24 (1) the corporation has been given at least 60 days' notice by certified mail
25 addressed to its registered office in this state; and

26 (2) the corporation fails before revocation to file the biennial report, pay the fees
27 or penalties that are due, file the required statement of change of registered agent or registered
28 office, file the articles of amendment or articles of merger, or correct the misrepresentation.

29 Sec. 10.21.795. ISSUANCE OF CERTIFICATE OF REVOCATION. Upon revoking a
30 certificate of authority, the commissioner shall

31 (1) issue a certificate of revocation in duplicate:

- 1 (2) file one of the certificates in the office of the commissioner;
2 (3) mail to the corporation at its registered office in this state (AS 10.21.800) a
3 notice of the revocation accompanied by one of the certificates.

4 Sec. 10.21.798. EFFECT OF CERTIFICATE OF REVOCATION. Upon the issuance
5 of a certificate of revocation, the authority of a corporation to conduct affairs in this state ceases.

6 Sec. 10.21.800. REGISTERED OFFICE AND REGISTERED AGENT OF A FOREIGN
7 CORPORATION. A foreign corporation authorized to conduct affairs in this state shall have and
8 continuously maintain in this state

9 (1) a registered office that may be, but need not be, the same as its principal
10 office in this state; and

11 (2) a registered agent, who may be either an individual resident in this state whose
12 office is identical to the registered office, or a domestic corporation or a foreign corporation
13 authorized to conduct affairs in this state that has an office that is identical to the registered
14 office.

15 Sec. 10.21.803. CHANGE OF REGISTERED OFFICE; CHANGE OR RESIGNATION
16 OF REGISTERED AGENT OF FOREIGN CORPORATION. (a) A foreign corporation
17 authorized to conduct affairs in this state may change its registered office or its registered agent,
18 or both, upon filing with the commissioner a verified statement setting out

19 (1) the name of the corporation;

20 (2) the address of its registered office;

21 (3) the address of the proposed registered office if the address of its registered
22 office is to be changed;

23 (4) the name of its registered agent;

24 (5) the name of its successor registered agent if its registered agent is to be
25 changed; and

26 (6) a statement that the change is authorized by resolution adopted by its board
27 of directors.

28 (b) The commissioner shall file the verified statement if the statement complies with this
29 chapter. The change becomes effective when the statement is filed.

30 (c) A registered agent may resign by filing a written notice, executed in duplicate, with
31 the commissioner. The written notice of resignation shall set out the latest address of the

1 principal office of the corporation and the names, addresses, and titles of the most recent officers
2 of the corporation known to the agent. The commissioner shall immediately mail a copy of the
3 notice to the corporation at its principal office. The resignation becomes effective 30 days after
4 the filing of the written notice or upon the appointment of a new agent by the corporation,
5 whichever is sooner.

6 Sec. 10.21.805. FILING OF STATEMENT OF CHANGE. A statement of change under
7 AS 10.21.803 shall be executed and verified by the corporation by the board chair, president, or
8 a vice-president and delivered to the commissioner. If the commissioner finds that the statement
9 conforms to the provisions of this chapter, the commissioner shall file the statement in the office
10 of the commissioner, and upon the filing, the change of address of the registered office, or the
11 appointment of a new registered agent, or both, as the case may be, become effective.

12 Sec. 10.21.808. SERVICE OF PROCESS ON FOREIGN CORPORATION. The regis-
13 tered agent appointed by a foreign corporation authorized to conduct affairs in this state is an
14 agent of the corporation upon whom process, notice, or demand required or permitted by law to
15 be served upon the corporation may be served.

16 Sec. 10.21.810. SERVICE ON COMMISSIONER. If a foreign corporation authorized
17 to conduct affairs in this state, or not authorized to conduct affairs in this state but doing so, fails
18 to appoint or maintain a registered agent in this state, or when a registered agent cannot with
19 reasonable diligence be found at the registered office, or when the certificate of authority of a
20 foreign corporation is suspended or revoked, the commissioner is an agent upon whom process,
21 notice, or demand may be served. Service is made upon the commissioner as provided in
22 AS 10.21.088(b).

23 Sec. 10.21.813. RECORDS KEPT BY COMMISSIONER. The commissioner shall keep
24 a record of all processes, notices, or demands served upon a corporation under AS 10.21.810, and
25 shall record the time of service and any action taken with reference to the service.

26 Sec. 10.21.815. PROCEDURE NOT EXCLUSIVE. AS 10.21.808 - 10.21.813 do not
27 limit or affect the right to serve process, notice, or demand required or permitted by law to be
28 served upon a corporation in any other manner.

29 Sec. 10.21.818. AMENDMENT TO ARTICLES OF INCORPORATION OF FOREIGN
30 CORPORATION. If the articles of a foreign corporation authorized to conduct affairs in this
31 state are amended, the foreign corporation shall, within 30 days after the amendment becomes

1 effective, file with the commissioner a copy of the amendment authenticated by the proper officer
2 of the state or country under whose laws it is incorporated. The filing of the amendment does
3 not enlarge or alter the purpose that the corporation may pursue in the conduct affairs in this state
4 under a name other than the name set out in its certificate of authority.

5 Sec. 10.21.820. ORGANIC CHANGE OF FOREIGN CORPORATION. If a foreign
6 corporation authorized to conduct affairs in this state is a party to an organic change
7 (AS 10.21.990) permitted by the laws of the state or country where it is incorporated, and the
8 corporation is the surviving corporation, it shall, within 30 days after the change becomes
9 effective, file with the commissioner a copy of the articles of merger, consolidation, or
10 reorganization authenticated by the proper office of the state or country under whose laws the
11 organic change was carried out. It is not necessary for the corporation to obtain a new or
12 amended certificate of authority to conduct affairs in this state unless the name of the corporation
13 is changed or unless the corporation desires to pursue in this state other or additional purposes
14 than those that it is authorized to pursue in this state.

15 Sec. 10.21.823. WITHDRAWAL OF FOREIGN CORPORATION. A foreign corporation
16 authorized to conduct affairs in this state may withdraw from this state on obtaining from the
17 commissioner a certificate of withdrawal. To obtain a certificate of withdrawal the foreign
18 corporation shall deliver to the commissioner an application for withdrawal.

19 Sec. 10.21.825. CONTENTS OF APPLICATION FOR WITHDRAWAL. An application
20 for withdrawal must set out

- 21 (1) the name of the corporation and the state or country where it is incorporated;
22 (2) that the corporation is not conducting affairs in this state;
23 (3) that the corporation surrenders its authority to conduct affairs in this state;
24 (4) that the corporation revokes the authority of its registered agent in this state
25 to accept service of process and consents that service of process in an action, suit, or proceeding
26 based on a cause of action arising in this state during the time the corporation was authorized to
27 conduct affairs in this state may be made on the corporation by service on the commissioner;
28 (5) a post office address, to which the commissioner may mail a copy of a process
29 against the corporation that may be served on the commissioner;
30 (6) a statement of the number of memberships that the corporation may issue,
31 itemized by classes, as of the date of the application;

1 (7) a statement of the number of members itemized by classes, as of the date of
2 the application;

3 (8) additional information necessary or appropriate to enable the commissioner
4 to determine and assess unpaid fees payable as prescribed in this chapter.

5 Sec. 10.21.828. FORM OF APPLICATION FOR WITHDRAWAL. An application for
6 withdrawal shall be made on forms prescribed and furnished by the commissioner and shall be
7 executed by the corporation by its board chair, president, or vice-president, and by its secretary
8 or an assistant secretary, and verified by one of the officers signing the application, or, if the
9 corporation is in the hands of a receiver or trustee, the application shall be executed and verified
10 on behalf of the corporation by the receiver or trustee.

11 Sec. 10.21.830. FILING OF APPLICATION FOR WITHDRAWAL. Duplicate originals
12 of an application for withdrawal shall be delivered to the commissioner for processing according
13 to AS 10.21.905 and issuance of a certificate of withdrawal.

14 Sec. 10.21.833. EFFECT OF CERTIFICATE OF WITHDRAWAL. On the issuance of
15 a certificate of withdrawal, the authority of a corporation to conduct affairs in this state ceases.

16 ARTICLE 12. REPORTS, FEES, AND PENALTIES.

17 Sec. 10.21.850. BIENNIAL REPORT OF DOMESTIC AND FOREIGN
18 CORPORATIONS. A domestic corporation and a foreign corporation authorized to conduct
19 affairs in this state shall file a biennial report within the time prescribed by this chapter.

20 Sec. 10.21.852. CONTENTS OF BIENNIAL REPORT. A biennial report must include

21 (1) the name of the corporation and the state or country where it is incorporated;

22 (2) the address of the registered office of the corporation in this state, and the
23 name of its registered agent in this state at that address, and, in the case of a foreign corporation,
24 the address of its principal office in the state or country where it is incorporated;

25 (3) a brief statement of the purposes of the corporation in this state;

26 (4) the names and addresses of the directors and officers of the corporation;

27 (5) a statement of the number of memberships that the corporation has authority
28 to issue, itemized by classes;

29 (6) a statement of the number of members itemized by classes;

30 (7) the name and address of each person holding as of September 30 of each year
31 the power to directly cause the election or designation of one or more members of the board;

1 (8) the gross receipts of the corporation during the reporting period from all
2 sources;

3 (9) the amount, expressed in dollars and as a percentage of the gross receipts of
4 the corporation, of each of the following:

5 (A) membership fees, dues, and assessments;

6 (B) donations;

7 (C) grants from governmental entities;

8 (D) sales of goods or services; and

9 (E) all other sources;

10 (10) in the case of a mutual benefit corporation, the amount, expressed in dollars
11 and as a percentage of the total income, of the total income used or held for the following
12 purposes:

13 (A) recurrent administrative costs;

14 (B) nonrecurrent administrative costs;

15 (C) providing services or making facilities available to members as
16 authorized in its articles, exclusive of the administrative cost of providing these services;
17 and

18 (D) all other expenses of the corporation;

19 (11) in the case of a public benefit corporation, the amount, expressed in dollars
20 and as a percentage of total income, of the total income used or held for the following purposes:

21 (A) recurrent administrative costs;

22 (B) nonrecurrent administrative costs;

23 (C) public or charitable purposes as stated in its articles;

24 (D) all other expenses of the corporation;

25 (12) information required by AS 10.21.293.

26 Sec. 10.21.854. FILING OF BIENNIAL REPORT. (a) A biennial report of a domestic
27 or foreign corporation shall be filed with the department and is due before July 2 of the filing
28 year. The biennial report is delinquent if not filed before August 1 of each year. Delinquent
29 returns are subject to the penalty provided in AS 10.21.858.

30 (b) Proof to the satisfaction of the commissioner that on or before August 1 the report
31 was deposited in the United States mail in a sealed envelope, properly addressed with postage

1 prepaid, is compliance with (a) of this section.

2 (c) The commissioner shall file the report if the commissioner finds that the report
3 conforms to the requirements of this chapter. If the commissioner finds that the report does not
4 conform to the requirements of this chapter, the commissioner shall promptly return it to the
5 corporation for necessary corrections. If the report is corrected to conform to the requirements
6 of this chapter and returned to the commissioner in sufficient time to be filed before October 1
7 of the year in which it is due, the penalty provided in AS 10.21.858 for failure to file the report
8 within the time required does not apply.

9 (d) Upon receipt of a form from the commissioner, a domestic or foreign corporation
10 shall file a biennial report within six months after original incorporation or authorization to
11 conduct affairs in this state.

12 Sec. 10.21.858. PENALTY FOR FAILURE TO FILE DOCUMENTS OR PAY FEES.
13 If a domestic or foreign corporation fails to file and publish a document required by this chapter
14 or pay a fee within the time prescribed by this chapter the commissioner shall collect a penalty
15 of \$10 for the first month that the filing, publication, or payment is not made, and \$100 for each
16 additional month up to a total of five months, and after six months without the filing, publication,
17 or payment the commissioner may

18 (1) involuntarily dissolve a delinquent domestic corporation under AS 10.21.578;

19 or

20 (2) revoke the certificate of authority of a delinquent foreign corporation to
21 conduct affairs in this state under AS 10.21.790.

22 Sec. 10.21.860. INTERROGATORIES BY COMMISSIONER; JUDICIAL
23 PROCEEDING TO CONTEST. (a) The commissioner may propound to a domestic or foreign
24 corporation and to an officer or director of a domestic or foreign corporation interrogatories
25 reasonably necessary and proper to enable the commissioner to ascertain whether the corporation
26 has complied with the provisions of this chapter.

27 (b) Interrogatories shall be propounded by the commissioner or a person designated by
28 the commissioner to

29 (1) a domestic corporation by mailing them to the corporation's agent identified
30 under AS 10.21.088;

31 (2) a foreign corporation by mailing them to the corporation's agent identified

1 under AS 10.21.808;

2 (3) an individual officer or director of a domestic or foreign corporation by
3 mailing by registered or certified mail a copy of the interrogatories addressed to the person at the
4 person's office in this state, or, if the person has no office in this state, to the principal office of
5 the person.

6 (c) Interrogatories shall be answered within 30 days, or within the additional time fixed
7 by the commissioner or by the superior court. Answers shall be full and complete, in writing,
8 and under oath. If the interrogatories are directed to an individual they shall be answered by that
9 individual, and if directed to a corporation they shall be answered by the board chair, president,
10 vice-president, secretary, or assistant secretary of the corporation or, in the instance of a foreign
11 corporation, the person functioning as comparable officer in accordance with the laws of the state
12 of incorporation.

13 (d) A petition stating good cause to extend the date for answer, to modify, or set aside
14 the interrogatories propounded by the commissioner, or to enforce compliance with AS 10.21.862
15 may be filed in the superior court before the expiration of the 30 days fixed in this subsection
16 for answer.

17 Sec. 10.21.862. CONFIDENTIALITY OF INFORMATION DISCLOSED BY
18 INTERROGATORIES. Interrogatories and answers propounded and obtained under
19 AS 10.21.860 are not open to public inspection and the commissioner may not disclose facts or
20 information obtained from the interrogatories except as official duty requires or unless the
21 interrogatories or answers are required for evidence in criminal proceedings or other action by
22 the state.

23 Sec. 10.21.864. FAILURE TO ANSWER INTERROGATORIES. Unless otherwise
24 provided by ~~an~~ order of court issued in response to a petition filed under AS 10.21.860(d),

25 (1) a domestic or foreign corporation and each officer or director of a domestic
26 or foreign corporation that wilfully fails or refuses to answer truthfully and fully interrogatories
27 propounded by the commissioner within the time prescribed by AS 10.21.860(c) is guilty of a
28 class A misdemeanor; and

29 (2) the commissioner need not file a document to which the interrogatories relate
30 until the interrogatories are properly answered and need not file a document to which the
31 interrogatories relate if the answers disclose that the document does not conform to the provisions

1 of this chapter.

2 Sec. 10.21.866. PENALTY FOR SIGNING FALSE DOCUMENT. An officer or director
3 of a domestic or foreign corporation who signs articles, or a statement, report, application, or
4 other document filed with the commissioner that is known to the officer or director to be false
5 in a material respect, is guilty of a class A misdemeanor.

6 Sec. 10.21.868. FEES. (a) The department shall establish by regulation, charge, and
7 collect a fee for

8 (1) filing articles of incorporation and issuing a certificate of incorporation;

9 (2) filing an application for a certificate of authority to conduct affairs in this state
10 and issuing a certificate of authority;

11 (3) filing articles of amendment and issuing a certificate of amendment;

12 (4) filing a statement of change of the identify or address of a registered agent;

13 (5) a foreign corporation filing a certificate of the appointment and consent of an
14 agent residing in this state, or a certificate of revocation of the appointment of the resident agent;

15 (6) filing a document required by this chapter for the dissolution of a corporation
16 organized under this chapter;

17 (7) filing a document not listed under (1) - (6) of this subsection;

18 (8) furnishing a certified copy of a document.

19 (b) A fee required under this chapter shall be paid in advance.

20 (c) The fees charged under this section shall be uniform, except that a lesser fee may be
21 charged a public benefit corporation or foreign corporation that would, if formed under this
22 chapter, be a public benefit corporation.

23 (d) The department may by regulation charge a corporation subject to this chapter a fixed
24 fee in place of the fees specified in this chapter and for routine administrative services rendered
25 to the corporation by the department.

26 Sec. 10.21.872. WITHDRAWAL OF FOREIGN CORPORATION: PENALTIES;
27 FILING CERTIFICATE. A registered foreign corporation may withdraw from this state upon
28 payment of all penalties due at the time of desired withdrawal, and by filing with the department
29 a certificate of withdrawal, signed by its proper officers and under its corporate seal.

30 Sec. 10.21.876. PENALTIES ON FILING CERTIFICATE OF DISSOLUTION OF
31 FOREIGN CORPORATION. If a foreign corporation desires to file a certificate of dissolution

1 from the state of its incorporation it shall file the certificate, signed by the proper state officer,
2 under seal, upon payment of all penalties due to this state at the time of dissolution.

3 Sec. 10.21.882. EXEMPTION FROM BIENNIAL CORPORATION TAX. A corporation
4 organized under this chapter or a foreign corporation organized under the laws of the United
5 States, a state, or foreign country for the same purpose as those allowed under this chapter is
6 exempt from the payment of the biennial corporation tax imposed by AS 10.06.845.

7 Sec. 10.21.894. APPEAL FROM REVOCATION OF CERTIFICATE OF AUTHORITY.
8 If the commissioner revokes a certificate of authority of a foreign corporation to conduct affairs
9 in this state under this chapter, the foreign corporation may appeal to the superior court by filing
10 with the clerk of the court a petition setting out a copy of its certificate of authority and a copy
11 of the notice of revocation given by the commissioner. The matter shall be tried de novo by the
12 superior court, and the court shall either sustain the action of the commissioner or direct the
13 commissioner to take action the court considers proper.

14 Sec. 10.21.896. CANCELLATION OF CERTIFICATES ISSUED AND FILINGS
15 ACCEPTED. The commissioner may within one year after a filing, and after written notice to
16 the corporation or individual making a filing, cancel a certificate issued or filing accepted under
17 this chapter, on any ground existing at the time of issuance or filing for which the commissioner
18 could have originally refused to issue the certificate or accept the filing. The notice of
19 cancellation shall state the reason for the cancellation. A corporation or individual may request
20 a hearing within 90 days after receipt of the notice. Cancellation becomes final if the corporation
21 or individual does not request a hearing within 90 days after receipt of notice. Notice of
22 cancellation shall be sent by certified mail with return receipt requested. If the return receipt is
23 not received by the department within a reasonable time and the department has made diligent
24 inquiry as to the address of the corporation, notice may be made by publication in a newspaper
25 of general circulation in the vicinity of the registered office of the corporation or the address of
26 the individual who made the filing. Cancellation becomes final 60 days after publication of the
27 notice if the person or corporation does not request a hearing.

28 Sec. 10.21.898. FORMS TO BE FURNISHED BY THE COMMISSIONER. Reports re-
29 quired by this chapter to be filed with the department or the commissioner shall be on forms
30 prescribed and furnished by the commissioner. Forms for other documents to be filed in the
31 office of the department or the commissioner shall be furnished by the commissioner on request,

1 but the use of these forms, unless required in this chapter, is not mandatory.

2 ARTICLE 13. MISCELLANEOUS PROVISIONS.

3 Sec. 10.21.905. PROCESSING OF WRITINGS FILED WITH THE COMMISSIONER.

4 If a writing delivered to the commissioner for filing conforms to law and all fees and corporation
5 taxes prescribed in this chapter have been paid, the commissioner shall

6 (1) endorse on each duplicate original the word "filed" and the date of the filing;

7 (2) file one duplicate original in the office of the commissioner;

8 (3) return a duplicate original of the writing, together with any writing issued by
9 the commissioner attached to the original, to the corporation or its representative.

10 Sec. 10.21.910. APPEAL FROM DISAPPROVAL OF DOCUMENT. If the commis-
11 sioner fails to approve articles of incorporation, amendment, merger, consolidation or dissolution,
12 or any other document required by this chapter to be approved by the commissioner, the
13 commissioner shall, within 10 days after the receipt of the document, give written notice of
14 disapproval to the person or domestic or foreign corporation delivering the document, specifying
15 the reasons for disapproval. The person or corporation may appeal from the disapproval to the
16 superior court by filing with the clerk of the court a petition setting out a copy of the document
17 sought to be filed and a copy of the written disapproval. The matter shall be tried de novo by
18 the superior court, which shall either sustain the action of the commissioner or direct the
19 commissioner to take action the court considers proper.

20 Sec. 10.21.915. WRITINGS; CORRECTIONS. A writing relating to a domestic or
21 foreign corporation filed by the commissioner under this chapter may be corrected if it contains
22 an error apparent on the face or defect in the execution of the writing including the deletion of
23 matter not permitted to be stated in the writing. A certificate entitled Certificate of Correction
24 of . . . (correct title of writing) shall be signed, verified, or acknowledged in the same manner
25 as the original writing and delivered to the commissioner. The certificate shall set out the name
26 of the corporation, the date the writing to be corrected was filed by the commissioner, the
27 provision in the writing corrected or eliminated and, if the execution was defective, the proper
28 execution. The filing of the certificate by the commissioner does not alter the effective time of
29 the writing being corrected and does not affect any right or liability accrued or incurred before
30 the filing. A corporate name may not be changed or corrected under this section.

31 Sec. 10.21.920. WRITINGS AS EVIDENCE. (a) A writing filed by the commissioner

1 relating to a domestic or foreign corporation and containing statements of fact required or
2 permitted by law and a certification by the commissioner of the absence of a filing shall be
3 received in all courts, public offices, and official bodies as prima facie evidence of these facts
4 and of the execution of the writing.

5 (b) If under the laws of a jurisdiction other than this state a writing by an officer in that
6 jurisdiction or a copy of a writing certified or exemplified by an officer may be received as prima
7 facie evidence of the incorporation, existence, or capacity of a foreign corporation incorporated
8 in that jurisdiction, the writing when exemplified shall be received in all courts, public offices,
9 and official bodies of this state, as prima facie evidence with the same force as in that
10 jurisdiction. The writing or certified copy of the writing shall be received without being
11 exemplified if it is certified by the secretary of state or official performing the equivalent function
12 as to corporate records of that jurisdiction.

13 Sec. 10.21.925. CORPORATE SEAL AS EVIDENCE. The presence of a corporate seal
14 on a writing purporting to be executed by authority of a domestic or foreign corporation shall be
15 prima facie evidence that the writing was executed with the authority of the corporation.

16 Sec. 10.21.930. WAIVER OF NOTICE. If notice is required to be given to a member
17 or director of a corporation under the provisions of this chapter or under the provisions of the
18 articles or bylaws of the corporation, a waiver of the notice in writing signed by the person
19 entitled to notice, whether before or after the time stated for notice, is equivalent to the giving
20 of notice.

21 ARTICLE 14. GENERAL PROVISIONS.

22 Sec. 10.21.950. POWERS OF COMMISSIONER. The commissioner (AS 10.21.990) has
23 the power and authority reasonably necessary to enable the commissioner to administer this
24 chapter efficiently and to perform the duties imposed by this chapter.

25 Sec. 10.21.953. REGULATIONS. To the extent provided by explicit reference in this
26 chapter, the department shall adopt regulations referred to in this chapter in accordance with the
27 Administrative Procedure Act (AS 44.62).

28 Sec. 10.21.955. APPLICATION. To the extent permitted under federal law, this chapter
29 applies to commerce with foreign nations and among the several states and to corporations
30 formed under federal law.

31 Sec. 10.21.958. PROVISIONS AS RESTATEMENTS AND CONTINUATIONS. If a

1 provision of this chapter is substantially the same as a statutory provision in former AS 10.20
2 existing on June 30, 1992, it shall be construed as a restatement and continuation, and not as a
3 new enactment.

4 Sec. 10.21.960. CORPORATIONS ORGANIZED UNDER ALASKA NATIVE CLAIMS
5 SETTLEMENT ACT. (a) A village corporation organized under 43 U.S.C. 1601 - 1629e as
6 amended (Alaska Native Claims Settlement Act) that elects the status of a nonprofit corporation
7 under 43 U.S.C. 1607(a) shall be incorporated under and is subject to this chapter except

8 (1) each corporation shall issue without further consideration the number of shares
9 of common stock that may be necessary to comply with the requirement of the Act and all stock
10 so issued is considered fully paid and nonassessable when issued;

11 (2) unless otherwise provided in the articles of incorporation, the capital

12 (A) is deemed the consideration for the initial issuance of shares; and

13 (B) of a corporation organized under the Act includes the

14 (i) land or interests in it conveyed to the corporation by the United
15 States under the Act, except that which is required to be conveyed under 43
16 U.S.C. 1613(c) entered at its fair value to the corporation upon receiving the
17 conveyance of it; and

18 (ii) money, when received under 43 U.S.C. 1605 and 43 U.S.C.
19 1608, that is retained by the corporation and that is not immediately distributed
20 or required to be distributed under 43 U.S.C. 1606(j).

21 (b) Payment from the money of a corporation organized under the Act that is required
22 by the language of the Act to be distributed to shareholders or to other corporations so organized
23 is not a distribution to its members under AS 10.21.180.

24 (c) Notwithstanding the provisions of AS 10.21.513, a plan of merger, consolidation, or
25 exchange in which each participating corporation either (1) was organized under the Act, within
26 the same one of the 12 regions of Alaska established under the Act, or (2) resulted from the prior
27 merger, consolidation, or exchange of other similarly organized corporations within the same
28 region, is approved if it receives the affirmative vote of the holders of at least a majority of the
29 outstanding shares or members of each corporation. If a class of members of a corporation
30 specified in this subsection is entitled to vote as a class, the plan of merger, consolidation, or
31 exchange is approved if it receives the affirmative vote of the holders of at least a majority of

1 the members of each class entitled to vote as a class and of the total memberships.
2 Notwithstanding AS 10.21.530 - 10.21.543, a plan of merger, consolidation, or exchange
3 approved under this section may not include a right of members to dissent if prohibited by the
4 Act.

5 (d) A director or officer of a corporation organized under the Act is not personally liable
6 to the contract creditors specified in AS 10.21.440 except as otherwise provided by law.

7 (e) Notwithstanding the provisions of AS 10.21.450 - 10.21.460, a corporation organized
8 under the Act may amend its articles by a vote of the board of directors in order for the
9 corporation to comply with the mandatory requirements of the Act.

10 (f) Notwithstanding the other provisions of this chapter, a corporation organized under
11 the Act is governed by the Act to the extent the Act is inconsistent with this chapter, and the
12 corporation may take any action, including amendment of its articles, authorized by the Act, and
13 the action is considered to be approved and adopted if approved under the Act. An amendment
14 approved under the Act and delivered to the commissioner under AS 10.21.463 shall be filed by
15 the commissioner under AS 10.21.905, and a certificate of amendment shall be issued.

16 (g) Notwithstanding AS 10.21.180, the directors of the corporation organized under the
17 Act may, from time to time, distribute to its members in partial liquidation a portion of the
18 corporation's assets out of capital, in cash or property, except that a distribution

19 (1) may not be made at a time when the corporation is, or as a result of the
20 distribution would be, likely to be unable to meet its liabilities as they mature;

21 (2) may not be made unless the articles of incorporation authorize the board to
22 make the distribution or the distribution is authorized by the affirmative vote of at least two-
23 thirds of the shareholders;

24 (3) when made, shall be identified as a distribution in partial liquidation and the
25 amount per membership shall be disclosed to the members concurrently with the distribution.

26 (h) For the purposes of this chapter, in the Act

27 (1) "share" means a membership;

28 (2) "shareholder" means a member.

29 (i) In this section, "Act" means 43 U.S.C. 1601 - 1629e (Alaska Native Claims
30 Settlement Act).

31 Sec. 10.21.975. RESERVATION OF POWER. The legislature reserves the right, at

1 pleasure, to alter, amend, suspend, or repeal in whole or in part this chapter, or a certificate of
2 incorporation or the authority to conduct affairs in this state, of a domestic or foreign corporation,
3 whether or not existing or authorized on July 1, 1992.

4 Sec. 10.21.980. SIGNATURE. "Signature" includes a mark when the signer cannot
5 write. The signer's name shall be written near the mark by a witness who shall write the
6 witness's own name near the signer's name. A signature by mark can be acknowledged or can
7 serve as a signature to a sworn statement.

8 Sec. 10.21.985. RULES OF CONSTRUCTION GOVERNING. (a) Unless a provision
9 or the context otherwise requires, the general provisions and rules of construction in this section
10 govern this chapter.

11 (b) When, by the provisions of this chapter, a power is granted to, or a duty imposed
12 upon, a public officer, the power may be exercised or the duty performed by a deputy of the
13 officer or by a person authorized, under law, by the officer, unless this chapter expressly provides
14 otherwise.

15 (c) When a notice, report, statement, or record is required or authorized by this chapter,
16 it shall be made in writing in a manner reasonably calculated to communicate the notice, report,
17 statement, or record to the recipient.

18 (d) A reference in this chapter to mailing means first class mail, postage prepaid, unless
19 certified mail is specified.

20 (e) Subject to a specific accounting treatment required by a particular section of this
21 chapter,

22 (1) references in this chapter to financial statements, balance sheets, income
23 statements and references to assets, liabilities, income, and similar accounting items of a
24 corporation mean financial statements or accounting items prepared or determined fairly and
25 reasonably to present the purported matters;

26 (2) financial statements prepared or determined in accordance with generally
27 accepted accounting principles then applicable are fair and reasonable; the fair and reasonable
28 quality of statements and determinations prepared under other practices and principles shall be
29 proved by the corporation;

30 (3) references in this chapter to financial statements mean, in the case of a
31 corporation that has subsidiaries, consolidated statements of the corporation and its subsidiaries,

1 and all references to accounting items mean items determined on a consolidated basis in
2 accordance with consolidated financial statements.

3 (f) A reference in this chapter to the time a notice is given or sent means the time a
4 written notice by mail is deposited in the United States mail, postage prepaid, the time any other
5 written notice is personally delivered to the recipient or is delivered to a common carrier for
6 transmission, or actually transmitted by electronic means to the recipient by the person giving
7 the notice, or the time oral notice is communicated in person or by electronic means to the
8 recipient or to a person at the office of the recipient who the person giving the notice has reason
9 to believe will promptly communicate it to the recipient.

10 (g) Since there are fundamental differences between for-profit and nonprofit corporations,
11 it is not necessary to construe language in this chapter to have the same meaning as similar or
12 identical language in AS 10.06.

13 Sec. 10.21.990. DEFINITIONS. In this chapter, unless the context otherwise requires,

14 (1) "acknowledged" means that a document is accompanied by a certificate of its
15 acknowledgement as provided in AS 09.63;

16 (2) "affiliate" means a person that directly or indirectly through one or more
17 intermediaries controls, or is controlled by, or is under common control with, a corporation
18 subject to this chapter;

19 (3) "alien" means

20 (A) an individual who is not a citizen or national of the United States, or
21 who is not lawfully admitted to the United States for permanent residence, or paroled into
22 the United States under 8 U.S.C. 1101 - 1503, Immigration and Nationality Act;

23 (B) a person, other than an individual, that was not created or organized
24 under the laws of the United States or of a state, or whose principal office is not located
25 in a state; or

26 (C) a person, other than an individual, that was created or organized under
27 the laws of the United States or of a state, or whose principal office is located in a state,
28 and that is controlled by a person described in (A) or (B) of this paragraph;

29 (4) "approved by a majority of all members" or "approval of a majority of all
30 members" means approval by an affirmative vote or written ballot of a majority of the votes
31 entitled to be cast; this approval includes the affirmative vote of

1 (A) a majority of the outstanding memberships of each class, unit, or
2 grouping of members entitled by the articles or the bylaws to vote as a class, unit or
3 grouping of members on the subject matter; and

4 (B) a greater proportion, including all, of the memberships of a class, unit,
5 or grouping of members, if a greater proportion is required by this chapter or the articles;

6 (5) "approved by a majority of the entire board" or "approval of a majority of the
7 entire board" means approval by an affirmative vote or written ballot of a majority of the entire
8 board;

9 (6) "approved by the board" or "approval of the board" means approved or ratified
10 by the vote of the board or by a committee authorized to exercise the powers of the board, except
11 as to matters not within the competence of a committee under AS 10.21.390;

12 (7) "approved by the members" or "approval of the members" means approved
13 or ratified by the affirmative vote of a majority of the memberships entitled to vote represented
14 at a duly held meeting at which a quorum is present, or of a greater proportion, including all, of
15 the memberships of a class if a greater proportion is required by this chapter or the articles for
16 all or any specified member action;

17 (8) "articles" or "articles of incorporation" means the original or restated articles
18 of incorporation and all amendments and includes articles of merger;

19 (9) "bylaws" means a code of rules adopted for the regulation or management of
20 the affairs of the corporation irrespective of the name by which these rules are known;

21 (10) "certified mail" includes registered mail;

22 (11) "commissioner" means the commissioner of commerce and economic
23 development or a designee of the commissioner;

24 (12) "control" or "controlling interest" means

25 (A) the power to elect or designate one or more members of the board of
26 directors in the case of a foreign or domestic corporation having five or fewer directors;

27 or

28 (B) the power to elect or designate 20 percent or more of the members of
29 the board of directors in the case of a foreign or domestic corporation having more than
30 five directors;

31 (13) "corporation" means a nonprofit corporation subject to the provisions of this

1 chapter, but does not include a foreign corporation;

2 (14) "department" means the Department of Commerce and Economic
3 Development;

4 (15) "director" means a natural person who is a member of the governing board
5 of a corporation, irrespective of the title by which the person is known;

6 (16) "domestic corporation" means a nonprofit corporation subject to the
7 provisions of this chapter, but does not include a foreign corporation;

8 (17) "donation" includes the transfer of any legal consideration if the transferor
9 becomes entitled to a charitable tax deduction upon transfer; "donation" does not include a grant
10 or other transfer from or by a state, federal, municipal, or other governmental agency or body;

11 (18) "entire board" means the total number of directors of a corporation if there
12 are no vacancies;

13 (19) "filed" means filed in the office of the commissioner unless otherwise
14 expressly provided;

15 (20) "foreign corporation" means a corporation organized under laws other than
16 the laws of this state that would, if formed in this state, be either a mutual benefit or public
17 benefit corporation;

18 (21) "insolvent" means the inability of a corporation to pay its debts as they
19 become due in the regular course of business;

20 (22) "member" means a person having membership rights in a corporation under
21 the provisions of its articles of incorporation or bylaws;

22 (23) "mutual benefit corporation" means a domestic corporation other than a
23 public benefit corporation;

24 (24) "nonprofit corporation" means a corporation

25 (A) formed exclusively for a purpose for which a corporation may be
26 formed under this chapter and not for pecuniary profit or financial gain; and

27 (B) no part of the assets, income, or profits of which is distributable to,
28 or inures to the benefit of, its members, directors, or officers except to the extent
29 permitted under this chapter;

30 (25) "organic change" means a merger, consolidation, or sale of assets other than
31 in the regular course of business;

1 (C) that has no voting members or whose only members are its directors
2 or officers;

3 (26) "proxy" means a written authorization signed by a member or the member's
4 attorney-in-fact giving another person power to vote with respect to the membership of the
5 member; "signed" for the purpose of this paragraph means the placing of the member's name on
6 the proxy by manual signature by the member or by the member's attorney-in-fact;

7 (27) "proxy holder" means the person to whom a proxy is given;

8 (28) "public benefit corporation" means a domestic corporation

9 (A) formed for a public or charitable purpose;

10 (B) that derives more than 10 percent of its annual income from donations;

11 or

12 (C) that has no voting members or whose only members are its directors
13 or officers;

14 (29) "signature" includes a mark if the person cannot write;

15 (30) "state" means any of the United States, the District of Columbia, the
16 Commonwealth of Puerto Rico, the Northern Mariana Islands, Guam, the Virgin Islands,
17 American Samoa, the Trust Territory of the Pacific Islands, or any other territory or possession
18 of the United States;

19 (31) "subsidiary" of a specified corporation means a corporation in which the
20 specified corporation holds a controlling interest;

21 (32) "surviving corporation" means a corporation into which one or more other
22 corporations are merged;

23 (33) "vacancy" when used with respect to the board means any authorized position
24 of director that is not then filled by a duly elected director, whether caused by death, resignation,
25 removal, change in the authorized number of directors, or otherwise;

26 (34) "verified" means certified as true under in AS 09.63.040;

27 (35) "vote" includes authorization by written consent, subject to the provisions
28 of AS 10.21.285 and 10.21.405(b);

29 (36) "writing" includes any form of recorded message capable of comprehension
30 by ordinary visual means.

31 Sec. 10.21.995. SHORT TITLE. This chapter may be cited as the Alaska Nonprofit

1 Corporations Code.

2 * Sec. 2. AS 10 is amended by adding a new chapter to read:

3 CHAPTER 41. RELIGIOUS CORPORATIONS.

4 ARTICLE 1. CORPORATE PURPOSE AND POWERS.

5 Sec. 10.41.005. PURPOSES FOR WHICH AUTHORIZED. A corporation may be formed
6 for acquiring, holding, or disposing of church or religious society property for

- 7 (1) the benefit of religion;
8 (2) works of charity and education; or
9 (3) public worship.

10 Sec. 10.41.010. CORPORATE POWERS. A corporation organized under this chapter
11 may

12 (1) acquire by donation, gift, bequest, devise, or purchase, and hold and maintain
13 real and personal property, and grant, sell, convey, or otherwise dispose of property as may be
14 necessary to carry on or promote the objects of the corporation, but not for the purpose of
15 obtaining revenue or profits from the property;

16 (2) borrow money and incur obligations for repayment, and give mortgages
17 or other liens upon real or personal property to secure payment of written obligations, when
18 necessary to promote the objects of the corporation;

19 (3) enter into contracts;

20 (4) sue and be sued;

21 (5) establish and maintain a cemetery subject to the provisions of AS 10.30;

22 (6) adopt and use a common seal by which all deeds and acts of the corporation
23 may be authenticated;

24 (7) make and alter bylaws not inconsistent with its articles of incorporation or
25 with the laws of the state, for the administration and regulation of the affairs of the corporation;

26 (8) pay pensions and establish pension plans, pension trusts, and other incentive
27 plans for its officers and employees;

28 (9) act as a trustee under a trust incidental to the principal affairs of the corpora-
29 tion, and receive, hold, administer, exchange, and expend money and property subject to the trust;

30 (10) have and exercise all powers necessary or convenient to carry out the
31 purposes for which the corporation was organized.

1 Sec. 10.41.015. LIMITATIONS ON AUTHORITY OF CORPORATE AGENTS. (a) A
2 limitation on the powers of the corporation sole, trustees, members, or officers, or on the manner
3 of exercise of their powers, contained in or implied by the articles, bylaws, or action of the
4 trustees, members, or officers, or by AS 10.41.300 - 10.41.455 may not be asserted as between
5 the corporation or a member and a third person, except in a proceeding

6 (1) by a member or the state to enjoin the doing or continuance of unauthorized
7 business by the corporation or its officers, or both, in cases where third parties have not acquired
8 rights under AS 10.41.020;

9 (2) to dissolve the corporation; or

10 (3) by the corporation or by a member suing in a representative suit for violation
11 of the duties of the corporation sole, trustee, member, or officer.

12 (b) This section also applies to contracts, undertakings, and conveyances made by foreign
13 corporations in this state and to conveyances by foreign corporations of real property situated in
14 this state.

15 Sec. 10.41.020. CONTRACTS OR CONVEYANCES BINDING CORPORATION. (a)
16 A contract or conveyance made in the name of the corporation that is authorized or ratified by
17 the corporation sole, trustees, or members or is done within the scope of the authority, actual or
18 apparent, conferred by the corporation sole, trustees, or members, or within the agency powers
19 of the officers executing it, except as the authority is limited by law, binds the corporation, and
20 the corporation acquires rights under the contract, whether the contract is executed or wholly or
21 in part executory.

22 (b) This section also applies to contracts and conveyances made by foreign corporations
23 of real property situated in this state.

24 ARTICLE 2. NAME AND SERVICE OF PROCESS.

25 Sec. 10.41.030. CORPORATE NAME. (a) Depending upon the election of organi-
26 zational form under AS 10.41.105(a)(6), a corporation organized under this chapter shall adopt
27 one of the following as its corporate name:

28 (1) in the case of a corporation sole the corporate name must be the same as the
29 office within the church or religious denomination held by the incorporator and must be followed
30 by the words "and successors, a corporation sole";

31 (2) in the case of a trustee corporation the corporate name must conclude with

1 the words "a trustee corporation" and may include a reference to the denomination and church,
2 temple, synagogue, or other term designating a congregation or house of worship;

3 (3) in the case of a membership corporation the corporate name must conclude
4 with the words "a membership corporation" and may include a reference to the denomination and
5 church, temple, synagogue, or other term designating a congregation or house of worship.

6 (b) The name of the corporation may not

7 (1) contain a word or phrase that indicates or implies that it is organized for a
8 purpose other than the purpose contained its articles or that it is authorized or empowered to
9 conduct the business of banking or insurance;

10 (2) contain the word "city," "borough," or "village," or otherwise imply that the
11 corporation is a municipality, but the name of a city, borough, or village may be used in the
12 corporate name;

13 (3) be the same name as, or undistinguishable on the records of the department
14 from, the name of a domestic corporation existing under the laws of this state or a foreign
15 corporation authorized to conduct affairs in this state, or a name the exclusive right to which is
16 reserved in the manner provided in this title.

17 Sec. 10.41.035. RESERVATION OF CORPORATE NAME. The exclusive right to the
18 use of a corporate name may be reserved by a

19 (1) person intending to organize a domestic corporation under this chapter;

20 (2) domestic corporation intending to change its name;

21 (3) foreign corporation intending to apply for a certificate of authority to conduct
22 affairs in this state;

23 (4) foreign corporation authorized to conduct affairs in this state and intending
24 to change its name;

25 (5) person intending to organize a foreign corporation and to have it apply for a
26 certificate of authority to conduct affairs in this state.

27 Sec. 10.41.040. APPLICATION TO RESERVE CORPORATE NAME. Reservation of
28 a corporate name is made by filing an application with the commissioner. If the commissioner
29 finds that the name is available for corporate use, and not a reserved or registered business name
30 as set out in AS 10.35, the commissioner shall reserve it for the exclusive use of the applicant
31 for a period of 120 days.

1 Sec. 10.41.045. TRANSFER OF RESERVED NAME. The holder of a reserved
2 corporate name may transfer the right to the exclusive use of the corporate name to another
3 person by filing with the commissioner a notice of transfer signed by the holder and specifying
4 the name and address of the transferee.

5 Sec. 10.41.050. FOREIGN CORPORATIONS: REGISTRATION OF CORPORATE
6 NAME. A corporation organized and existing under the laws of any state may register its
7 corporate name if the name is not the same as, or undistinguishable on the records of the
8 department from, the name of a domestic corporation, the name of a foreign corporation
9 authorized to conduct affairs in this state, or a corporate name reserved or registered under
10 AS 10.35.

11 Sec. 10.41.055. USE OF SAME OR UNDISTINGUISHABLE NAME. Incorporation,
12 obtaining a certificate of authority by a foreign corporation, or registration of a corporate name
13 gives the exclusive right to the use of the name. The person who has incorporated, received a
14 certificate of authority, or registered a corporate name under this chapter may enjoy the use of
15 the same name or a name that is undistinguishable on the records of the department from the
16 corporate name and has a cause of action for damages against a person who uses the same name
17 or a name that is undistinguishable on the records of the department from the corporate name.

18 Sec. 10.41.060. PROCEDURE FOR REGISTRATION OF CORPORATE NAME.
19 Registration of a corporate name is made by filing with the commissioner

20 (1) an application for registration executed by an officer of the corporation setting
21 out the name of the corporation, the state under the laws of which it is incorporated, the date of
22 incorporation, a statement that it is conducting affairs, and a brief statement of its corporate
23 purposes; and

24 (2) a certificate from an official of the state where the corporation is organized
25 who has custody of the records pertaining to corporations stating that the corporation is in good
26 standing under the laws of that state or territory.

27 Sec. 10.41.065. FEE FOR AND DURATION OF REGISTERED NAME. (a) The fee
28 for registration of a corporate name shall be established by the department by regulation.

29 (b) The registration is effective until the close of the calendar year in which the
30 application for registration is filed unless terminated earlier by involuntary dissolution in
31 accordance with AS 10.41.300 - 10.41.455.

1 Sec. 10.41.070. RENEWAL OF REGISTERED NAME. A foreign corporation that has
2 registered its corporate name may renew the registration each year by (1) filing an application
3 for renewal setting out the facts required in an original application for registration; (2) filing a
4 certificate of good standing required for an original registration; and (3) paying a fee established
5 by the department by regulation. An application for renewal shall be filed between October 1
6 and December 31 in each year. The renewal extends the registration for the following calendar
7 year.

8 Sec. 10.41.080. SERVICE OF PROCESS. (a) A corporation organized under this
9 chapter shall continuously maintain on file with the department the name and address of a person
10 in this state designated to act as agent for the purpose of accepting service of process.

11 (b) When a corporation fails to designate an agent under (a) of this section and maintain
12 this information on file, the commissioner is the agent upon whom process may be served.
13 Service on the commissioner shall be made in the same manner as provided in AS 10.06.175.

14 ARTICLE 3. FORMATION OF CORPORATIONS.

15 Sec. 10.41.100. INCORPORATION; CORPORATION SOLE, TRUSTEE COR-
16 PORATION, MEMBERSHIP CORPORATION. (a) Whenever the rules or discipline of a
17 religious denomination, religious society, or church permit or require its estate, property,
18 temporalities, and business to be held in the name of or managed by a bishop, chief priest, or
19 presiding elder, the bishop, chief priest, or presiding elder of the religious denomination, religious
20 society, or church may incorporate as a corporation sole in the manner prescribed in this chapter.

21 (b) Individuals with an unincorporated church, congregation, or religious society who are
22 at least 18 years of age and are considered as belonging to it may elect, appoint, or designate
23 trustees and incorporate as a trustee corporation under (c) - (e) of this section.

24 (c) In order for trustees to be elected, a written notice, signed by at least five individuals,
25 stating the time, place, and object of the meeting, must be posted at least 15 days before the
26 meeting, at the place of worship of the society. At the time and place fixed, if at least five
27 individuals are present, they shall, by a plurality vote, elect a chair and secretary. The chair and
28 secretary shall together determine the qualifications of voters and receive and count the votes.
29 The voters shall, by a plurality vote, elect at least three and not more than 15 individuals of their
30 society as trustees, to take charge of its property and temporal affairs. Immediately after the
31 meeting the chair and secretary shall sign and acknowledge in the presence of two subscribing

1 witnesses articles of incorporation conforming to AS 10.41.105.

2 (d) When the constitution, rules, or usages of a church, denomination, congregation, or
3 religious society require that trustees be appointed by a minister, presiding elder, or other
4 officers, or by a body, the individual who appoints the trustees or the presiding officer and
5 secretary of the body shall execute, acknowledge, and deliver to the trustees articles of
6 incorporation conforming to AS 10.41.105.

7 (e) When the constitution, rules, and usages of a church or religious denomination declare
8 that the ministers, elders, deacons, or other officers elected by a church or congregation according
9 to the constitution, rules, or usages, are the trustees of the church or congregation, those
10 designated individuals shall assemble, execute, and acknowledge articles of incorporation con-
11 forming to AS 10.41.105.

12 (f) If a church or religious society does not wish to form as a corporation sole or a
13 trustee corporation, at least three individuals belonging to the church or society may incorporate
14 as a membership corporation by adopting articles of incorporation conforming to AS 10.41.105
15 and electing the status of a membership corporation.

16 Sec. 10.41.105. ARTICLES OF INCORPORATION; MANDATORY CONTENT. (a)
17 The articles of incorporation must set out

18 (1) the name of the corporation as provided in AS 10.41.030;
19 (2) the purpose for which the corporation is organized, that may be the conduct
20 of any or all lawful affairs for which corporations may be incorporated under this chapter;
21 (3) the estimated value of its property at the time of executing the articles of
22 incorporation;

23 (4) the name or title of the person or persons executing the articles;
24 (5) the address of the corporation's registered office in this state, and the name
25 and address of the person upon whom process may be served;

26 (6) one of the following statements:
27 (A) "This corporation is a corporation sole and has elected to be so treated
28 under the laws of the State of Alaska."; or

29 (B) "This corporation is a trustee corporation and has elected to be so
30 treated under the laws of the State of Alaska."; or

31 (C) "This corporation is a membership corporation and has elected to be

1 so treated under the laws of the State of Alaska."

2 (b) It is not necessary to set out in the articles of incorporation the corporate powers
3 enumerated in this chapter.

4 (c) A provision of the articles of incorporation that is inconsistent with a bylaw is
5 controlling, notwithstanding the bylaw.

6 Sec. 10.41.110. ARTICLES OF INCORPORATION; OPTIONAL PROVISIONS. The
7 articles of incorporation may set out

8 (1) any of the following provisions, which are not effective unless expressly
9 provided in the articles:

10 (A) in the case of a corporation sole, trustee corporation, and membership
11 corporation,

12 (i) a provision limiting the duration of the corporation's existence
13 to a specified date;

14 (ii) a provision limiting or restricting the affairs in which the
15 corporation may engage or the powers that the corporation may exercise or both;

16 (iii) a provision authorizing the corporation to merge or consolidate
17 with a surviving or resulting corporation so long as that corporation is also governed by
18 this chapter;

19 (B) in the case of a trustee corporation,

20 (i) the name of the religious denomination to which the corporation
21 belongs;

22 (ii) the names and addresses of the persons appointed to act as
23 initial trustees;

24 (iii) the terms of office, method of selection, and qualifications, if
25 any, for future trustees;

26 (iv) a provision requiring, for a corporate action, the vote of a
27 larger proportion of or all of the trustees than is otherwise required under AS 10.41.14-
28 5(a);

29 (C) in the case of a membership corporation,

30 (i) the name of the religious denomination to which the corporation
31 belongs;

- 1 (ii) the qualifications, if any, for members;
- 2 (iii) the officers, the manner of their selection, terms of office, and
- 3 the functions, powers, and duties of the offices that are created for the governance of the
- 4 internal affairs of the corporation;
- 5 (iv) a provision fixing a quorum of members other than a majority
- 6 of the members entitled to vote, which may not be less than 10 percent of the members
- 7 entitled to vote at a meeting;
- 8 (v) a provision requiring, for any or all corporate actions the vote
- 9 of a larger proportion or of all of the members, than is otherwise required under
- 10 AS 10.41.150 or other sections of this chapter;
- 11 (vi) a provision allowing a member or a group or class of members
- 12 to have more or less than one vote, or no vote, in any, or all, elections or other matters
- 13 presented to the members for vote;

14 (2) any other provision, not in conflict with law, for the regulation of internal
 15 affairs and for the conduct of the affairs of the corporation, including any provision that is
 16 required or permitted by this chapter to be stated in the bylaws.

17 Sec. 10.41.120. FILING OF ARTICLES OF INCORPORATION. Duplicate originals
 18 of the articles of incorporation shall be delivered to the commissioner for processing under
 19 AS 10.41.600 and for issuance of a certificate of incorporation.

20 Sec. 10.41.125. DISCLOSURE OF CORPORATE PURPOSE. A person presenting
 21 articles of incorporation under AS 10.41.120 shall deliver, with the articles, a separate statement
 22 of the codes, from the identification codes established under AS 10.06.870, which most closely
 23 describe the activities in which the corporation will initially engage.

24 Sec. 10.41.130. EFFECT OF ISSUANCE OF CERTIFICATE OF INCORPORATION.
 25 The corporate existence begins upon the issuance of the certificate of incorporation. The
 26 certificate of incorporation is conclusive evidence that all conditions precedent required to be
 27 performed have been satisfied and that the corporation has been incorporated. Issuance of the
 28 certificate does not affect the right of the state to bring a proceeding to cancel or revoke the
 29 certificate of incorporation or for involuntary dissolution of the corporation. The doctrines of de
 30 jure compliance, de facto corporations, and corporations by estoppel are abolished for religious
 31 corporations.

1 Sec. 10.41.135. ASSUMPTION OF PURPORTED POWERS OF NONEXISTENT
2 CORPORATION: LIABILITY. Persons who assume to act as a corporation for which there has
3 been no issuance of a certificate of incorporation under AS 10.41.130 are jointly and severally
4 liable for debts and liabilities incurred or arising as a result of that action.

5 Sec. 10.41.140. TRUSTEE CORPORATION; ORGANIZATIONAL MEETING. After
6 the issuance of a certificate of incorporation an organizational meeting of the trustees named in
7 the articles of incorporation shall be held, at the call of the majority of the trustees named in the
8 articles of incorporation, for the purposes of adopting bylaws, electing officers, and transacting
9 other business as may come before the meeting. Those calling the meeting shall give at least 20
10 days notice of the meeting by mail to each trustee named. The notice must state the time and
11 place of the meeting.

12 Sec. 10.41.145. TRUSTEE CORPORATION; ACTION OF TRUSTEES; QUORUM;
13 COMMITTEES. (a) A majority of the number of trustees fixed by the articles or bylaws
14 constitutes a quorum for the transaction of business unless a greater number is required by the
15 articles under AS 10.41.110. The act of a majority of the trustees present at a meeting at which
16 a quorum is present is the act of the corporation, unless the act of a greater number is required
17 by the articles under AS 10.41.110 or by this chapter.

18 (b) The provisions of this section apply to committees of the trustees and action by
19 committees.

20 Sec. 10.41.150. MEMBERSHIP CORPORATION; ACTION BY MEMBERS; QUORUM.
21 A majority of the members (AS 10.41.990) of a membership corporation constitutes a quorum
22 for the transaction of business unless a greater number is required by the articles under
23 AS 10.41.110. The act of a majority of the members present at a meeting at which a quorum is
24 present is the act of the corporation, unless the act of a greater number is required by the articles
25 under AS 10.41.110 or by this chapter.

26 Sec. 10.41.155. BYLAWS: ADOPTION. Bylaws may be adopted in the following
27 manner:

28 (1) in the case of a corporation sole, by the person who executed the original
29 articles of incorporation or by a successor in office;

30 (2) in the case of a trustee corporation, by approval of the trustees
31 (AS 10.41.990(5));

1 (3) in the case of a membership corporation, by approval of the members
2 (AS 10.41.990(4)).

3 Sec. 10.41.160. BYLAWS: CONTENT. The bylaws may contain any provision, not in
4 conflict with the law or the articles (AS 10.41.105(c)), for the regulation of the internal affairs
5 and for the conduct of the affairs of the corporation, including

6 (1) a provision referred to in AS 10.41.110(2);

7 (2) the time, place, and manner of calling, conducting, and giving notice of
8 meetings of trustees, members, and committees;

9 (3) the creation and authority of committees of the members or trustees; and

10 (4) the manner and means of disposing or distributing assets following dissolution
11 under AS 10.41.310(4) and 10.41.395(5).

12 ARTICLE 4. FINANCE.

13 Sec. 10.41.170. DONATED ASSETS HELD IN CHARITABLE TRUST. (a) A donation
14 (AS 10.41.990) received by a domestic corporation, or by a foreign corporation from a source
15 in the state, shall be held in charitable trust.

16 (b) In the absence of a written agreement between a donor and the corporation defining
17 the terms of the charitable trust,

18 (1) acceptance of an unsolicited donation by the corporation implies as terms of
19 the trust that the donation will be applied to the religious or charitable purposes stated in the
20 articles of the corporation at the time of the donation or as amended in conformity with this
21 chapter and will not be used for another purpose;

22 (2) acceptance of a solicited donation by the corporation implies as terms of the
23 trust that the donation will be applied to the purpose or purposes stated in the solicitation and
24 will not be used for another purpose.

25 Sec. 10.41.175. ACTION TO REMEDY BREACH OF CHARITABLE TRUST. (a) The
26 following may bring an action to enjoin, correct, obtain damages for, or otherwise remedy a
27 breach of a charitable trust established under AS 10.41.170:

28 (1) the corporation;

29 (2) an officer of the corporation;

30 (3) a trustee of the corporation;

31 (4) a donor or a person with a reversionary, contractual, or other property interest

1 in the assets subject to the charitable trust; or

2 (5) the commissioner, or a person designated by the commissioner.

3 (b) The plaintiff shall give notice to the commissioner of an action under (a) of this
4 section and the commissioner may intervene in that action.

5 (c) The rights and remedies prescribed by this section are cumulative and in addition to
6 other rights or remedies available to a donor against a donee corporation or trustee, officer, or
7 member of a donee corporation.

8 Sec. 10.41.180. DISPOSITION OF ASSETS IN REGULAR COURSE OF ACTIVITIES;
9 MORTGAGE OR PLEDGE OF ASSETS. (a) The sale, lease, exchange, or other disposition of
10 all, or substantially all, the property and assets of a corporation organized under this chapter in
11 the usual and regular course of its activities, and the mortgage or pledge of property and assets,
12 whether or not in the usual and regular course of its activities, may be made on terms and condi-
13 tions and for consideration as approved by

14 (1) in the case of a corporation sole, the corporation sole;

15 (2) in the case of a trustee corporation, a majority of the trustees
16 (AS 10.41.990(5));

17 (3) in the case of a membership corporation, a majority of the members
18 (AS 10.41.990(4)).

19 (b) This section and the other provisions of this chapter do not authorize a sale, lease,
20 exchange, or disposition prohibited by another law, including the law of trusts, charitable trusts,
21 and contracts, or prohibited by the articles or bylaws.

22 ARTICLE 5. AMENDMENTS AND CHANGES.

23 Sec. 10.41.220. ARTICLES OF INCORPORATION: PERMITTED AND PROHIBITED
24 AMENDMENTS. By complying with the provisions of this chapter, a corporation may amend
25 articles from time to time and in any and as many respects as may be desired, if its articles of
26 incorporation, as amended, contain only provisions that would be lawful to insert in original
27 articles of incorporation filed at the time of the filing of the amendment.

28 Sec. 10.41.225. PROCEDURE TO AMEND ARTICLES OF INCORPORATION. (a)
29 The articles may be amended or repealed in the following manner:

30 (1) in the case of a corporation sole, by the person who executed the original
31 articles of incorporation or by a successor in office;

1 (2) in the case of a trustee corporation, unless the articles require a vote of a
2 larger proportion or of all of the trustees under AS 10.41.110, by approval of the trustees
3 (AS 10.41.990(5));

4 (3) in the case of a membership corporation, unless the articles require a vote of
5 a larger proportion or of all of the members under AS 10.41.110, by approval of the members
6 (AS 10.41.990(4)).

7 (b) The amendment or amendments shall be filed with the commissioner in the same
8 manner as is provided for filing the original articles.

9 ARTICLE 6. ORGANIC CHANGE.

10 Sec. 10.41.230. AUTHORIZATION IN ARTICLES. If the articles of incorporation
11 contain a provision under AS 10.41.110 authorizing the corporation to merge or consolidate, a
12 corporation organized under this chapter may merge with or consolidate into another corporation
13 also governed by this chapter.

14 Sec. 10.41.240. PROCEDURE FOR MERGER OR CONSOLIDATION. (a) A written
15 plan of merger or consolidation shall be adopted

16 (1) in the case of a corporation sole, by the person who executed the original
17 articles of incorporation or by a successor in office;

18 (2) in the case of a trustee corporation, unless the articles require a vote of a
19 larger proportion or of all of the trustees under AS 10.41.110, by approval of the trustees
20 (AS 10.41.990(5));

21 (3) in the case of a membership corporation, unless the articles require a vote of
22 a larger proportion or of all of the members under AS 10.41.110, by approval of the members
23 (AS 10.41.990(4)).

24 (b) The written plan must set out

25 (1) the names of the corporations proposing to merge or consolidate and the name
26 of the surviving or resulting corporation;

27 (2) the terms and conditions of the proposed merger or consolidation;

28 (3) a statement of changes in the articles or incorporation or bylaws of the
29 surviving or resulting corporation;

30 (4) if the surviving or resulting corporation is entitled to receive gifts, devises,
31 bequests, legacies, or other transfers or assignments of money or property, real, personal, or

1 mixed or any asset impressed with a charitable trust under AS 10.41.170, a statement that the
2 property may not be diverted from the uses and purposes for which it was originally received by
3 the constituent corporations or from the uses and purposes for which it was expressed and
4 intended;

5 (5) a certification that each corporation has adopted the plan in accordance with
6 its constitution, canon law, or other general provisions for the governance of its affairs; and

7 (6) other provisions of the merger or consolidation considered necessary and
8 desirable.

9 Sec. 10.41.250. FILING OF ARTICLES OF MERGER OR CONSOLIDATION.

10 Duplicate originals of the articles of merger or consolidation shall be delivered to the
11 commissioner for processing according to AS 10.41.600 and the issuance of a certificate of
12 merger or consolidation.

13 Sec. 10.41.270. EFFECT OF MERGER OR CONSOLIDATION. (a) A merger or con-
14 solidation is effective upon the issuance of a certificate of merger or consolidation by the
15 commissioner, or on a later date, not more than 30 days after the filing of the certificate with the
16 commissioner, as provided in the plan.

17 (b) When a merger or consolidation has become effective

18 (1) the corporations that are parties to the plan of merger or consolidation are a
19 single corporation that, in the case of a merger, is the corporation designated in the plan of
20 merger as the surviving corporation (AS 10.41.990), and, in the case of a consolidation, is the
21 resulting corporation (AS 10.41.990) provided for in the plan of consolidation;

22 (2) the separate existence of all corporations or parties to the plan of merger or
23 consolidation, except the surviving or resulting corporation, ceases;

24 (3) a surviving or resulting corporation has all the rights, privileges, immunities,
25 and powers and is subject to all the duties and liabilities of a corporation organized under this
26 chapter;

27 (4) the surviving or resulting corporation possesses all the public and private
28 rights, privileges, immunities, and franchises of each of the merging or consolidating
29 corporations; all property real, personal, and mixed, and all debts due on whatever account, and
30 all other choses in action, and every other interest of, belonging to, or due to each of the merged
31 or consolidated corporations, is transferred to and vested in the corporation without further act;

1 and the title to real estate, or an interest in real estate, vested in any of the corporations may not
 2 revert and is not in any way impaired by reason of a merger or consolidation, except that
 3 property received by a corporation by a conditional grant or similar device remains subject to the
 4 same conditions as if the merger or consolidation had not occurred;

5 (5) the surviving or new corporation is responsible and liable for all the liabilities
 6 and obligations of each of the merged or consolidated corporations; and a claim existing or action
 7 or proceeding pending by or against the merged or consolidated corporations may be prosecuted
 8 as if the merger or consolidation had not taken place, or the surviving or new corporation may
 9 be substituted in its place; and the rights of creditors or any liens on any of the property of the
 10 merged or consolidated corporation are not impaired by the merger or consolidation;

11 (6) in the case of a merger, the articles of incorporation of the surviving
 12 corporation are considered to be amended to the extent that changes in its articles of
 13 incorporation are stated in the plan of merger, and, in the case of a consolidation, the statements
 14 set out in the articles of consolidation that are required or permitted to be set out under
 15 AS 10.41.105 - 10.41.110 in the articles of incorporation of corporations organized under this
 16 chapter are considered to be the original articles of incorporation of the new corporation.

17 ARTICLE 7. DISSOLUTION.

18 Sec. 10.41.300. VOLUNTARY DISSOLUTION. A corporation organized under this
 19 chapter may elect to wind up and dissolve

20 (1) in the case of a corporation sole, by the approval of the corporation sole;

21 (2) in the case of a trustee corporation, by the approval of the trustees
 22 (AS 10.41.990(5));

23 (3) in the case of a membership corporation, by approval of the members
 24 (AS 10.41.990(4)).

25 Sec. 10.41.305. FILING OF ELECTION TO WIND UP AND DISSOLVE. (a) A
 26 corporation organized under this chapter that has elected to wind up and dissolve shall file a
 27 certificate evidencing the election with the commissioner.

28 (b) The certificate shall be signed and verified

29 (1) in the case of a corporation sole, by the corporation sole;

30 (2) in the case of a trustee corporation, by a majority of the trustees then in office;

31 (3) in the case of a membership corporation, by one or more members authorized

1 to do so by approval of a majority of all members (AS 10.41.990(3)).

2 (c) The certificate must contain

3 (1) the name of the corporation;

4 (2) a statement that the corporation has elected to wind up and dissolve and the
5 reason for the action;

6 (3) a statement that the dissolution has been duly authorized by the church in
7 order to administer the affairs, property, and temporalities of the corporation;

8 (4) if the election was made by the corporation sole, a statement to that effect;

9 (5) if the election was made by the trustees, a statement that it was approved by
10 a majority of all the trustees;

11 (6) if the certificate is executed by a member, a statement that the person
12 executing the certificate is authorized to execute the certificate by approval of a majority of all
13 members, a statement of the number of votes for the election, and a statement that the election
14 was made by approval of a majority of all members.

15 Sec. 10.41.310. DISTRIBUTION OF ASSETS. The assets of a corporation in the
16 process of dissolution shall be applied and distributed in the following order:

17 (1) all liabilities and obligations of the corporation shall be paid and discharged,
18 or adequate provision shall be made for them;

19 (2) assets held by the corporation upon condition requiring return, transfer, or
20 conveyance shall, if the condition occurs by reason of the dissolution, be returned, transferred,
21 or conveyed in accordance with the condition;

22 (3) assets received and held by the corporation subject to limitations permitting
23 their use only for charitable, religious, eleemosynary, benevolent, educational, or similar
24 purposes, or held in charitable trust under terms of AS 10.41.170, but not held upon a condition
25 requiring return, transfer, or conveyance by reason of the dissolution, shall be transferred or
26 conveyed to one or more corporations organized under this chapter engaged in activities
27 substantially similar to those of the dissolving corporation, under a plan of distribution adopted
28 as provided in this chapter;

29 (4) remaining assets shall be distributed in accordance with the provisions of the
30 articles of incorporation or bylaws.

31 Sec. 10.41.315. REVOCATION OF ELECTION TO WIND UP AND DISSOLVE

1 CORPORATION; FILING OF REVOCATION CERTIFICATE. (a) A voluntary election to
2 wind up and dissolve under AS 10.41.305 may be revoked before distribution of assets

3 (1) by the corporation sole if the election was made under AS 10.41.300(1);

4 (2) by approval of a majority of all the trustees if the election was made under
5 AS 10.41.300(2);

6 (3) by approval of a majority of all members if the election was by the members
7 under AS 10.41.300(3).

8 (b) After a revocation, a certificate evidencing the revocation shall be signed, verified,
9 and filed in the same manner prescribed under AS 10.41.305(a) and (b).

10 (c) The certificate required by (b) of this section shall contain

11 (1) a statement that the corporation has revoked its election to wind up and
12 dissolve;

13 (2) a statement that assets have not been distributed as a result of the election;

14 (3) in the case of a corporation sole, a statement that the election to revoke was
15 made by the corporation sole;

16 (4) in the case of a trustee corporation, a statement that the election to revoke was
17 made by a majority of all the trustees;

18 (5) in the case of a membership corporation, a statement that the election was
19 made by a majority of all the members.

20 Sec. 10.41.320. COMMENCEMENT AND CONDUCT OF VOLUNTARY
21 DISSOLUTION; CESSATION OF CORPORATE ACTIVITIES; NOTICE. (a) Voluntary
22 proceedings for winding up the corporation commence with the approval required under
23 AS 10.41.300.

24 (b) If a voluntary proceeding for winding up has commenced,

25 (1) in the case of a corporation sole, the corporation sole shall continue to act and
26 has full powers to wind up and settle the corporation's affairs before and after filing of the
27 certificate of dissolution;

28 (2) in the case of a trustee corporation, the trustees shall continue to act and have
29 full powers to wind up and settle the corporation's affairs before and after filing of the certificate
30 of dissolution;

31 (3) in the case of a membership corporation, the members shall continue to act

1 and have full powers to wind up and settle the corporation's affairs before and after filing of the
2 certificate of dissolution;

3 (c) If a voluntary proceeding for winding up has commenced, the corporation shall cease
4 to conduct its activities except to the extent necessary for beneficial winding up, to carry out the
5 corporation's purposes, and to protect assets held in charitable trust. Written notice of the
6 dissolution shall be prominently posted in the place or places of customary worship, and shall
7 also be given by mail to all known creditors and claimants whose addresses appear on the records
8 of the corporation, and to the commissioner.

9 Sec. 10.41.325. JURISDICTION AND POWER OF COURT OVER VOLUNTARY
10 WINDING UP; PROTECTION OF CREDITORS AND ASSETS. If a corporation organized
11 under this chapter is in the process of a voluntary winding up, the superior court, upon the
12 petition of the corporation, the commissioner, or three or more creditors of the corporation, and
13 upon notice to the persons and creditors that the court may order, may take jurisdiction over the
14 voluntary winding-up proceeding if it appears necessary for the protection of a party in interest,
15 the assets held in charitable trust, or the purposes served by the corporation. The court, if it
16 assumes jurisdiction, may make orders as to any and all matters concerning the winding up of
17 the affairs of the corporation and the protection of its creditors, assets, and purposes. The
18 provisions of AS 10.41.385 - 10.41.455 apply to court proceedings under this section.

19 Sec. 10.41.330. CERTIFICATE OF DISSOLUTION; CONTENTS. (a) If a corporation
20 organized under this chapter has been completely wound up without court proceedings, the person
21 or persons who conducted the dissolution under AS 10.41.320(b) shall sign and verify a
22 certificate of dissolution stating that

23 (1) the corporation has been completely wound up;

24 (2) its known debts and liabilities have been paid or adequately provided for as
25 far as the corporation's assets permitted, or that it has incurred no known debts or liabilities; if
26 there are known debts or liabilities as to which adequate provision for payment has been made,
27 the certificate must state the name and address of the corporation, person, or governmental
28 agency that has assumed or guaranteed the payment, or the name and address of the depository
29 with which deposit has been made and other information as necessary to enable the creditor or
30 other person to whom payment is to be made to appear and claim payment of the debt or
31 liability;

1 (3) its known assets have been distributed in conformance with AS 10.41.310 or
2 that the corporation has not acquired assets; and

3 (4) the corporation is dissolved.

4 (b) The certificate of dissolution shall be filed with the commissioner. After filing the
5 certificate of dissolution the corporate existence ceases, except for the purpose of further winding
6 up if needed.

7 Sec. 10.41.335. TERMINATION OF CORPORATION ON EXPIRATION OF TERM
8 OF EXISTENCE. Except as otherwise provided by law, if the term of existence for which a
9 corporation organized under this chapter expires without renewal or extension, it shall terminate
10 its activities and wind up its affairs. After the affairs of the corporation have been wound up
11 under this section, the person or persons who conducted the dissolution under AS 10.41.320(b)
12 shall execute and file a certificate of dissolution conforming to the requirements in AS 10.41.330.

13 Sec. 10.41.340. PETITION FOR COURT ORDER DECLARING CORPORATION
14 DULY WOUND UP AND DISSOLVED. (a) Instead of filing a certificate of dissolution, the
15 person or persons who conducted the dissolution under AS 10.41.320(b) may petition the
16 superior court for an order declaring the corporation duly wound up and dissolved. The petition
17 shall be filed in the name of the corporation.

18 (b) Upon the filing of a petition under (a) of this section, the court shall order all
19 interested persons, including the commissioner, to show cause why an order should not be made
20 declaring the corporation duly wound up and dissolved. The order shall be served by notice to
21 all creditors, claimants, and such other persons as the court shall order. Notice shall also be
22 served upon the commissioner.

23 (c) A person claiming to be an interested party to the winding up and dissolution as a
24 creditor, or otherwise may appear in the proceeding at any time before the expiration of 30 days
25 from the completion of publication of the order to show cause and contest the petition. The claim
26 of a person who fails to appear within 30 days is barred.

27 (d) Thirty days after the filing of a petition under (a) of this section, the court may issue
28 an order declaring the corporation duly wound up and dissolved. This order has the effect
29 prescribed in AS 10.41.435 and shall be filed in the same manner as provided under
30 AS 10.41.440.

31 Sec. 10.41.350. GROUNDS FOR INVOLUNTARY DISSOLUTION. A corporation may

1 be dissolved involuntarily by the commissioner when it is established that

2 (1) the corporation has failed to file any document or pay any fee required under
3 this chapter as provided in AS 10.41.720(b);

4 (2) the corporation procured its articles of incorporation through fraud;

5 (3) the corporation has continued to exceed or abuse the authority conferred upon
6 it by law;

7 (4) the corporation has continued to violate the terms of any trust or conditional
8 gift, or the terms of AS 10.41.170;

9 (5) the corporation has failed for 30 days to appoint and maintain a registered
10 agent in the state;

11 (6) the corporation has failed for 30 days after change of its registered agent to
12 file in the office of the commissioner a statement of the change;

13 (7) the corporation has failed, within the time required by this chapter, to revoke
14 or complete a plan of voluntary dissolution.

15 Sec. 10.41.355. NOTICE TO CORPORATION. When the commissioner determines that
16 a corporation has given cause for involuntary dissolution, the commissioner shall mail to the
17 corporation, by certified mail, at its registered office a notice, setting out the grounds for
18 involuntary dissolution, 60 days before a certificate of dissolution is issued.

19 Sec. 10.41.360. REMOVAL OF GROUND FOR INVOLUNTARY DISSOLUTION;
20 REINSTATEMENT. (a) A corporation dissolved under AS 10.41.350 may be reinstated within
21 two years from the date of the certificate of involuntary dissolution if it is established to the
22 satisfaction of the commissioner that in fact there was not a cause for the dissolution, or the
23 delinquency, omission, or noncompliance resulting in dissolution has been corrected and the
24 corporation pays double the fees that the corporation would have paid had it not been dissolved
25 during the two-year period.

26 (b) An action arising out of a contract assigned by a corporation dissolved under
27 AS 10.41.350 may be brought in the name of the assignee. The fact of assignment and of
28 purchase by the plaintiff must be set out in the complaint or other process. The defendant may
29 use any matter of defense that the defendant could have used in a suit on the claim by the
30 corporation had it not been dissolved.

31 Sec. 10.41.365. JURISDICTION OF COURT TO LIQUIDATE ASSETS AND

1 BUSINESS OF CORPORATION. The superior court may liquidate the assets and business of
2 a corporation in the cases provided in AS 10.41.350, 10.41.370, 10.41.375, and 10.41.380.

3 Sec. 10.41.370. ACTION SEEKING LIQUIDATION. The superior court may liquidate
4 the assets and wind up the affairs of a corporation organized under this chapter when it is
5 established that

6 (1) the acts of those in control of the corporation are illegal, oppressive, or
7 fraudulent;

8 (2) in the case of a trustee corporation, the trustees are deadlocked in the
9 management of the corporate affairs, the articles fail to provide machinery for resolving the
10 deadlock, and irreparable injury to the corporation is being suffered or is threatened by reason
11 of the deadlock;

12 (3) in the case of a membership corporation, the members are deadlocked in
13 voting power, and have failed, over a period of six months to resolve the deadlock, and irrepara-
14 ble injury to the corporation is being suffered or is threatened by reason of the deadlock; or

15 (4) the corporate assets are being misapplied or wasted.

16 Sec. 10.41.375. ACTION BY CREDITOR FOR LIQUIDATION. In an action by a
17 creditor, the superior court may liquidate the assets and wind up the affairs of a corporation
18 organized under this chapter when

19 (1) the claim of the creditor has been reduced to judgment and an execution on
20 the judgment has been returned unsatisfied and it is established that the corporation is insolvent;
21 or

22 (2) the corporation has admitted in writing that the claim of the creditor is due
23 and owing and it is established that the corporation is insolvent.

24 Sec. 10.41.380. LIQUIDATION ON APPLICATION BY CORPORATION. If a
25 corporation that has filed a statement of intent to dissolve as provided in this chapter applies to
26 have its liquidation continued under the supervision of the court, the superior court may liquidate
27 the assets and wind up the affairs of the corporation.

28 Sec. 10.20.385. PROCEDURE IN LIQUIDATION OF CORPORATION BY COURT. In
29 a proceeding to liquidate the assets and business of a corporation the superior court may issue
30 injunctions, appoint a receiver pendente lite with powers and duties as the court may direct, and
31 take other action necessary to preserve the corporate assets wherever situated and carry on the

1 activities of the corporation until a full hearing is held.

2 Sec. 10.41.390. APPOINTMENT OF RECEIVER. After a hearing held upon the notice
3 that the court may direct to be given to all parties to the proceedings and to any other parties in
4 interest designated by the court, the court may appoint a liquidating receiver with authority to
5 collect the assets of the corporation, including amounts owing to the corporation. The liquidating
6 receiver may, subject to the order of the court, sell, convey, and dispose of all or a part of the
7 assets of the corporation wherever situated, either at public or private sale.

8 Sec. 10.41.395. DISPOSITION OF ASSETS OR PROCEEDS. The assets of the
9 corporation or the proceeds resulting from a sale, conveyance, or other disposition of the assets
10 shall be applied and distributed in the following order:

11 (1) all costs and expenses of the court proceedings shall be paid;

12 (2) all liabilities and obligations of the corporation shall be paid and discharged,
13 or adequate provision shall be made for them;

14 (3) assets held by the corporation upon condition requiring return, transfer, or
15 conveyance shall, if the condition occurs by reason of the dissolution, be returned, transferred,
16 or conveyed in accordance with the condition;

17 (4) assets received and held by the corporation subject to limitations permitting
18 their use only for charitable, religious, eleemosynary, benevolent, educational, or similar
19 purposes, or held in charitable trust under terms of AS 10.41.170, but not held upon a condition
20 requiring return, transfer, or conveyance by reason of the dissolution, shall be transferred or
21 conveyed to one or more corporations organized under this chapter and engaged in activities
22 substantially similar to those of the dissolving corporation, under a plan of distribution adopted
23 as provided in this chapter;

24 (5) any remaining assets shall be distributed in accordance with the provisions of
25 the articles of incorporation, bylaws, or as the court may direct.

26 Sec. 10.41.400. POWERS AND DUTIES OF RECEIVER. The order appointing the
27 liquidating receiver shall state the receiver's powers and duties. The powers and duties may be
28 increased or diminished at any time during the liquidation proceedings.

29 Sec. 10.41.405. COMPENSATION OF RECEIVER AND ATTORNEYS. The court may
30 allow from time to time, as expenses of the liquidation, compensation to the receiver and to
31 attorneys in the proceeding, and direct the payment of compensation out of the assets of the

1 corporation or the proceeds of a sale or disposition of assets.

2 Sec. 10.41.410. POWER OF RECEIVER TO SUE AND BE SUED. A receiver of a
3 corporation appointed under this chapter may sue and defend in all courts in the receiver's own
4 name as receiver of the corporation.

5 Sec. 10.41.415. APPOINTING COURT HAS EXCLUSIVE JURISDICTION. The court
6 appointing the receiver has exclusive jurisdiction of the corporation and its property, wherever
7 situated.

8 Sec. 10.41.420. QUALIFICATION OF RECEIVER. (a) A party, an attorney of a party,
9 or a person interested in the action or related according to the common law by consanguinity or
10 affinity within the third degree of kindred to a judge of the court appointing the receiver, may
11 not be appointed receiver in the action without the written consent of the parties, including the
12 party to be appointed, filed with the clerk. If a receiver is appointed upon an ex parte applica-
13 tion, the court, before making the order, shall require from the applicant an undertaking, with
14 sufficient sureties, in an amount to be fixed by the court, to the effect that the applicant will pay
15 to the corporation all damages sustained by reason of the appointment of the receiver, in the case
16 the applicant has procured the appointment wrongfully, maliciously, or without sufficient cause.
17 The court may, in its discretion, at any time after appointment, require an additional undertaking.

18 (b) Before entering upon the duties of a receiver, the receiver must be sworn to perform
19 those duties faithfully, and with two or more sureties, approved by the court or judge, execute
20 an undertaking to the state, in a sum the court or judge directs, to the effect that the receiver will
21 faithfully discharge the duties of receiver and obey the order of the court in the action.

22 Sec. 10.41.425. FILING OF CLAIMS IN LIQUIDATION PROCEEDINGS. (a) In a
23 proceeding to liquidate the assets and wind up the affairs of a corporation the court may require
24 creditors of the corporation to file with the clerk of the court or with the receiver, in the form
25 the court prescribes, proof under oath of their respective claims.

26 (b) If the court requires the filing of claims it shall fix a date, not less than four months
27 from the date of the order, as the last day for the filing of claims, and shall prescribe the notice
28 to be given to creditors and claimants of the date fixed. Before the date fixed, the court may
29 extend the time of the filing of claims.

30 (c) A creditor who fails to file proof of a claim on or before the date fixed may be barred
31 by order of the court from participating in the distribution of the assets of the corporation.

1 Sec. 10.41.430. DISCONTINUANCE OF LIQUIDATION PROCEEDINGS. The
2 liquidation of the assets and winding up the affairs of a corporation may be discontinued at any
3 time during the liquidation proceeding when it is established that cause for liquidation no longer
4 exists. In this event, the court shall dismiss the proceeding and direct the receiver to redeliver
5 to the corporation its remaining property and assets.

6 Sec. 10.41.435. DECREE OF INVOLUNTARY DISSOLUTION. In proceedings to
7 liquidate the assets and wind up the affairs of a corporation, when the costs and expenses of the
8 proceeding and the debts, obligations, and liabilities of the corporation have been paid and
9 discharged, or when the remaining property and assets are not sufficient to satisfy and discharge
10 the costs, expenses, debts, and obligations, and all the property and assets have been applied to
11 their payment, the court shall enter a decree dissolving the corporation. Upon entry of the decree,
12 the existence of the corporation ceases.

13 Sec. 10.41.440. FILING OF CERTIFIED ORDER, DECREE, OR JUDGMENT OF
14 DISSOLUTION. If a corporation is dissolved or its existence forfeited by order, decree, or
15 judgment of a court, a copy of the order, decree, or judgment, certified by the clerk of court,
16 shall be filed with the commissioner.

17 Sec. 10.41.445. DEPOSIT WITH COMMISSIONER OF AMOUNT DUE CREDITORS.
18 Upon the voluntary or involuntary dissolution of a corporation, the portion of the assets
19 distributable to a creditor who is unknown or cannot be found, or who is under disability and
20 there is no legally competent person to receive the distributive portion, shall be reduced to cash
21 and deposited with the commissioner and shall be paid over to the creditor or the legal
22 representative of the creditor upon proof satisfactory to the commissioner of a right to it.

23 Sec. 10.41.447. RECOVERY OF IMPROPER DISTRIBUTIONS. (a) If a distribution
24 of assets has been made in the process of winding up a corporation without a court order and
25 without prior payment or adequate provision for payment of the debts and liabilities of the
26 corporation, the amount improperly distributed to a person may be recovered by the corporation.
27 A person who received an improper distribution may be joined as a defendant in the same action
28 or be brought in on the motion of another defendant.

29 (b) Suit may be brought in the name of the corporation to enforce the liability under (a)
30 of this section against a person receiving a distribution by the commissioner or by a creditor of
31 that corporation, whether or not the creditor has reduced the claim to judgment.

1 (c) In this section, "process of winding up" includes a proceeding under AS 10.41.300 -
2 10.41.455 and any other distribution of assets to a person made in contemplation of termination
3 or abandonment of the corporation.

4 Sec. 10.41.450. EXISTENCE OF CORPORATION AFTER DISSOLUTION. (a) A
5 corporation that is dissolved voluntarily or involuntarily continues to exist for the purpose of
6 winding up its affairs, defending actions against it and enabling it to collect and discharge
7 obligations, dispose of and convey its property and collect and divide its assets, but not for the
8 purpose of continuing its activities except to the extent necessary for the winding up.

9 (b) An action or proceeding to which a corporation is a party does not abate by the
10 dissolution of the corporation or by reason of proceedings for winding up and dissolution. A
11 corporation that is dissolved voluntarily or involuntarily may not commence a court action, except
12 under AS 10.41.447.

13 (c) Assets inadvertently or otherwise omitted from the winding up continue in the
14 dissolved corporation for the benefit of the persons entitled to the assets on dissolution of the
15 corporation and on realization shall be distributed to the person entitled.

16 (d) The directors of the corporation on the date of its dissolution, or as determined under
17 AS 10.41.440, shall exercise and have the powers necessary to act under this section.

18 Sec. 10.41.455. CONTINUED EXISTENCE FOR CERTAIN PURPOSES. If a dissolved
19 corporation is the owner of real or personal property, or claims an interest in or lien upon real
20 or personal property, the corporation through its receiver continues to exist for five years after
21 the date of dissolution for the purpose of conveying, transferring, or releasing the real or personal
22 property or interest in or lien upon the property. In addition, a dissolved corporation through its
23 receiver continues to exist for the purpose of being sued in a quiet title action. The action or
24 proceeding against the corporation may be instituted and maintained in the same manner as
25 before the dissolution of the corporation. This section does not affect or suspend a statute of
26 limitations applicable to a claim. For the purpose of service of process, notice, or demand within
27 the prescribed time following dissolution, the commissioner is an agent of the dissolved corpora-
28 tion upon whom service may be made under AS 10.41.080(b).

29 ARTICLE 8. FOREIGN CORPORATIONS.

30 Sec. 10.41.500. APPLICABILITY TO FOREIGN CORPORATIONS. To the extent
31 provided in this chapter, this chapter is applicable to a foreign corporation (AS 10.41.990) that

1 is authorized to conduct or does conduct affairs in this state.

2 Sec 10.41.505. ADMISSION OF FOREIGN CORPORATION. A foreign corporation
3 may not conduct affairs in this state until it has been issued a certificate of authority from the
4 commissioner. A foreign corporation may not be issued a certificate of authority to conduct
5 affairs in this state that a corporation organized under this chapter is not permitted to conduct.
6 A foreign corporation may not be denied a certificate of authority because the laws of the state
7 or country under which it is organized governing its organization and internal affairs differ from
8 the laws of this state.

9 Sec. 10.41.510. LIABILITY TO STATE FOR CONDUCTING AFFAIRS WITHOUT
10 CERTIFICATE OF AUTHORITY. A foreign corporation that conducts affairs in this state
11 without a certificate of authority is liable to this state for the years or portions of years during
12 which it conducted affairs in this state without a certificate of authority, in an amount equal to
13 all fees that would have been imposed by this chapter on the corporation if it had applied for and
14 received a certificate of authority to conduct affairs in this state as required by this chapter and
15 filed all reports required by this chapter, plus all penalties imposed by this chapter for failure to
16 pay the fees, plus a penalty of up to \$10,000 a year or portion of a year for each year it
17 conducted affairs in this state without a certificate of authority. The attorney general shall bring
18 proceedings to recover amounts due the state under this section.

19 Sec. 10.41.515. CONDUCTING AFFAIRS WITHOUT CERTIFICATE OF AUTHORITY
20 AS A BAR TO RIGHT TO SUE. A foreign corporation conducting affairs in this state without
21 a certificate of authority may not maintain an action, suit, or proceeding in a court of this state
22 until it obtains a certificate of authority. A successor or assignee of a foreign corporation
23 conducting affairs without a certificate of authority may not maintain an action, suit, or
24 proceeding in a court of this state on a right, claim, or demand arising out of the conduct of
25 affairs by the corporation in this state until a certificate of authority is obtained by the
26 corporation or by a corporation that has acquired all or substantially all of its assets.

27 Sec. 10.41.520. CONDUCTING AFFAIRS WITHOUT CERTIFICATE OF AUTHORITY
28 NOT AFFECTING CONTRACTS AND RIGHT TO DEFEND ACTION. The failure of a
29 foreign corporation to obtain a certificate of authority to conduct affairs in this state does not
30 impair the validity of a contract or act of the corporation, and does not prevent the corporation
31 from defending an action, suit, or proceeding in a court of this state.

1 Sec. 10.41.525. ACTIVITIES NOT CONSTITUTING CONDUCTING AFFAIRS IN
2 THIS STATE. The activities of a foreign corporation that are not considered to be conducting
3 affairs in this state, for the purposes of this chapter, include

4 (1) maintaining, defending, or settling an action, suit, or an administrative or
5 arbitration proceeding, or the settlement of claims or disputes;

6 (2) holding meetings of the corporation, or carrying on other activities concerning
7 the internal affairs of the corporation;

8 (3) maintaining bank accounts;

9 (4) securing or collecting debts, or enforcing rights in property securing debts;

10 (5) granting funds;

11 (6) distributing information to members;

12 (7) conducting an isolated transaction, completed within 30 days, not in the course
13 of a number of repeated transactions of like nature.

14 Sec. 10.41.530 CORPORATE NAME OF FOREIGN CORPORATION. A certificate of
15 authority may not be issued to a foreign corporation if the corporate name of the corporation

16 (1) contains a word or phrase that indicates or implies that it is organized for a
17 purpose other than the purpose contained its articles or that it is authorized or empowered to
18 conduct the business of banking or insurance;

19 (2) contains the word "city," "borough," or "village," or otherwise imply that the
20 corporation is a municipality, but the name of a city, borough, or village may be used in the
21 corporate name;

22 (3) is the same name as, or undistinguishable on the records of the department
23 from, the name of a domestic corporation existing under the laws of this state or a foreign
24 corporation authorized to conduct affairs in this state, or a name the exclusive right to which is
25 reserved in the manner provided in this title.

26 Sec. 10.41.535. ASSUMED CORPORATE NAME: COMMISSIONER TO CROSS
27 INDEX. (a) If a foreign corporation applying for a certificate of authority has a name that is
28 impermissible under AS 10.41.530, it shall select an assumed name, acceptable under the
29 provisions of AS 10.41.530, under which it elects to conduct affairs in this state.

30 (b) The commissioner shall maintain records that cross reference the actual and assumed
31 names of all foreign corporations authorized to conduct affairs in this state.

1 Sec. 10.41.540. CHANGE OF NAME BY FOREIGN CORPORATION. If a foreign
2 corporation authorized to conduct affairs in this state changes its name to one under which a
3 certificate of authority would not be granted to it under this chapter, the certificate of authority
4 of the corporation is suspended and it may not conduct affairs in this state until it has changed
5 its name to a name available to it under the laws of this state.

6 Sec. 10.41.545. APPLICATION FOR CERTIFICATE OF AUTHORITY. To receive a
7 certificate of authority to conduct affairs in this state a foreign corporation shall apply in
8 duplicate to the commissioner.

9 Sec. 10.41.550. CONTENTS OF APPLICATION. An application for a certificate of
10 authority must set out

- 11 (1) the name of the corporation and the assumed name, if any;
- 12 (2) the date of incorporation and the period of duration of the incorporation;
- 13 (3) the address of the principal office of the corporation in the state or country
14 under whose laws it is incorporated;
- 15 (4) the address of the proposed registered office of the corporation in this state,
16 and the name of its proposed registered agent in this state at that address;
- 17 (5) the purpose the corporation proposes to pursue in the conduct of affairs in this
18 state;
- 19 (6) additional information necessary or appropriate to enable the commissioner
20 to determine whether the corporation is entitled to a certificate of authority and to determine and
21 assess the fees prescribed in this chapter that are payable;
- 22 (7) the name and address of each alien affiliate (AS 10.41.990), the percentage
23 of control held by each alien affiliate, and a specific description of the nature of the relationship
24 between the foreign corporation and its alien affiliates, or a statement that there are no alien
25 affiliates;
- 26 (8) the name and address of a person holding at least five percent of the members
27 of the corporation, and the percentage of control held by that person.

28 Sec. 10.41.555. FILING OF APPLICATION FOR CERTIFICATE OF AUTHORITY.
29 The application of the corporation for a certificate of authority shall be submitted on forms
30 prescribed and furnished by the commissioner. Duplicate originals of the application executed
31 and verified by a trustee for a trustee corporation, a member for a membership corporation, or,

1 for a corporation sole, the individual holding the position that owns the property of the
2 corporation sole, together with a verified copy of the articles and all amendments to the articles,
3 shall be delivered to the commissioner for processing under AS 10.41.800 and issuance of a
4 certificate of authority.

5 Sec. 10.41.560. EFFECT OF CERTIFICATE OF AUTHORITY. On the issuance of a
6 certificate of authority by the commissioner, the corporation may conduct affairs in this state for
7 the purpose set out in its application, subject, however, to the right of this state to suspend or
8 revoke the authority as provided in this chapter.

9 Sec. 10.41.565. AMENDED CERTIFICATE OF AUTHORITY. (a) A foreign corpora-
10 tion authorized to conduct affairs in this state shall obtain an amended certificate of authority if
11 it changes its corporate name, or desires to pursue in this state other or additional purposes than
12 those set out in its earlier application for a certificate of authority.

13 (b) The requirements as to form and content of an application for an amended certificate
14 of authority, the manner of its execution, the filing of duplicate originals of the application with
15 the commissioner, and the issuance of an amended certificate of authority are the same as in the
16 case of an original application for a certificate of authority.

17 Sec. 10.41.570. POWERS OF FOREIGN CORPORATION. A foreign corporation that
18 has received a certificate of authority enjoys, until a certificate of revocation or of withdrawal
19 is issued as provided in this chapter, the same, but no greater, rights and privileges as a domestic
20 corporation organized for the purposes set out in the application under which the certificate of
21 authority is issued and, except as otherwise provided in this chapter, is subject to the duties,
22 restrictions, penalties and liabilities imposed on a domestic corporation of like character.

23 Sec. 10.41.575. REVOCATION OF CERTIFICATE OF AUTHORITY. A certificate of
24 authority of a foreign corporation to conduct affairs in this state may be revoked by the
25 commissioner if

- 26 (1) the corporation has failed to comply with a requirement of this chapter;
27 (2) the corporation fails, after change of its registered office or registered agent,
28 to file with the commissioner a statement of the change as required by this chapter;
29 (3) the corporation fails to file with the department an amendment to its articles
30 of incorporation or articles of merger within the time prescribed by this chapter; or
31 (4) a misrepresentation of a material matter has been made in an application,

1 report, affidavit, or other document submitted under this chapter.

2 Sec 10.41.580. LIMITATIONS ON REVOCATION OF CERTIFICATE OF AUTHORI-
3 TY. The commissioner may not revoke a certificate of authority of a foreign corporation unless

4 (1) the corporation has been given at least 60 days' notice by certified mail
5 addressed to its registered office in this state; and

6 (2) the corporation fails before revocation to file the biennial report, pay the fees
7 or penalties that are due, file the required statement of change of registered agent or registered
8 office, file the articles of amendment or articles of merger, or correct the misrepresentation.

9 Sec. 10.41.585. ISSUANCE OF CERTIFICATE OF REVOCATION. Upon revoking a
10 certificate of authority, the commissioner shall

11 (1) issue a certificate of revocation in duplicate;

12 (2) file one of the certificates in the office of the commissioner;

13 (3) mail to the corporation at its registered office in this state (AS 10.41.595(1))
14 a notice of the revocation accompanied by one of the certificates.

15 Sec. 10.41.590. EFFECT OF CERTIFICATE OF REVOCATION. Upon the issuance
16 of a certificate of revocation, the authority of a corporation to conduct affairs in this state ceases.

17 Sec. 10.41.595. REGISTERED OFFICE AND REGISTERED AGENT OF A FOREIGN
18 CORPORATION. A foreign corporation authorized to conduct affairs in this state shall have and
19 continuously maintain in this state

20 (1) a registered office that may be, but need not be, the same as its principal
21 office in this state; and

22 (2) a registered agent, who may be either an individual resident in this state whose
23 office is identical to the registered office, or a domestic corporation or a foreign corporation
24 authorized to conduct affairs in this state that has an office that is identical to the registered
25 office.

26 Sec. 10.41.600. CHANGE OF REGISTERED OFFICE; CHANGE OR RESIGNATION
27 OF REGISTERED AGENT OF FOREIGN CORPORATION. (a) A foreign corporation
28 authorized to conduct affairs in this state may change its registered office or its registered agent,
29 or both, upon filing with the commissioner a verified statement setting out

30 (1) the name of the corporation;

31 (2) the address of its registered office;

1 (3) the address of the proposed registered office if the address of its registered
2 office is to be changed;

3 (4) the name of its registered agent;

4 (5) the name of its successor registered agent if its registered agent is to be
5 changed.

6 (b) The commissioner shall file the verified statement if the statement complies with this
7 chapter. The change becomes effective when the statement is filed.

8 (c) A registered agent may resign by filing a written notice, executed in duplicate, with
9 the commissioner. The written notice of resignation shall set out the latest address of the
10 principal office of the corporation. The commissioner shall immediately mail a copy of the
11 notice to the corporation at its principal office. The resignation becomes effective 30 days after
12 the filing of the written notice or upon the appointment of a new agent by the corporation,
13 whichever is sooner.

14 Sec. 10.41.605. SERVICE OF PROCESS ON FOREIGN CORPORATION. The regis-
15 tered agent appointed by a foreign corporation authorized to conduct affairs in this state is an
16 agent of the corporation upon whom process, notice, or demand required or permitted by law to
17 be served upon the corporation may be served.

18 Sec. 10.41.610. SERVICE ON COMMISSIONER. If a foreign corporation authorized
19 to conduct affairs in this state, or not authorized to conduct affairs in this state but doing so, fails
20 to appoint or maintain a registered agent in this state, or when a registered agent cannot with
21 reasonable diligence be found at the registered office, or when the certificate of authority of a
22 foreign corporation is suspended or revoked, the commissioner is an agent upon whom process,
23 notice, or demand may be served. Service is made upon the commissioner as provided in
24 AS 10.06.175.

25 Sec. ~~10.41.615~~. RECORDS KEPT BY COMMISSIONER. The commissioner shall keep
26 a record of all processes, notices, or demands served upon a corporation under AS 10.41.610, and
27 shall record the time of service and any action taken with reference to the service.

28 Sec. 10.41.620. PROCEDURE NOT EXCLUSIVE. AS 10.41.605 - 10.41.615 do not
29 limit or affect the right to serve process, notice, or demand required or permitted by law to be
30 served upon a corporation in any other manner.

31 Sec. 10.41.625. AMENDMENT TO ARTICLES OF INCORPORATION OF FOREIGN

1 CORPORATION. If the articles of a foreign corporation authorized to conduct affairs in this
2 state are amended, the foreign corporation shall, within 30 days after the amendment becomes
3 effective, file with the commissioner a copy of the amendment authenticated by the proper officer
4 of the state or country under whose laws it is incorporated. The filing of the amendment does
5 not enlarge or alter the purpose that the corporation may pursue in the conduct affairs in this state
6 under a name other than the name set out in its certificate of authority.

7 Sec. 10.41.630. ORGANIC CHANGE OF FOREIGN CORPORATION. If a foreign
8 corporation authorized to conduct affairs in this state is a party to an organic change
9 (AS 10.21.990) permitted by the laws of the state or country where it is incorporated, and the
10 corporation is the surviving corporation, it shall, within 30 days after the change becomes
11 effective, file with the commissioner a copy of the articles of merger, consolidation, or
12 reorganization authenticated by the proper office of the state or country under whose laws the
13 organic change was carried out. It is not necessary for the corporation to obtain a new or
14 amended certificate of authority to conduct affairs in this state unless the name of the corporation
15 is changed or unless the corporation desires to pursue in this state other or additional purposes
16 than those that it is authorized to pursue in this state.

17 Sec. 10.41.635. WITHDRAWAL OF FOREIGN CORPORATION. A foreign corporation
18 authorized to conduct affairs in this state may withdraw from this state on obtaining from the
19 commissioner a certificate of withdrawal. To obtain a certificate of withdrawal the foreign
20 corporation shall deliver to the commissioner an application for withdrawal.

21 Sec. 10.41.640. CONTENTS OF APPLICATION FOR WITHDRAWAL. An application
22 for withdrawal must set out

- 23 (1) the name of the corporation and the state or country where it is incorporated;
24 (2) that the corporation is not conducting affairs in this state;
25 ~~---~~ (3) that the corporation surrenders its authority to conduct affairs in this state;
26 (4) that the corporation revokes the authority of its registered agent in this state
27 to accept service of process and consents that service of process in an action, suit, or proceeding
28 based on a cause of action arising in this state during the time the corporation was authorized to
29 conduct affairs in this state may be made on the corporation by service on the commissioner;
30 (5) a post office address, to which the commissioner may mail a copy of a process
31 against the corporation that may be served on the commissioner;

1 (6) additional information necessary or appropriate to enable the commissioner
2 to determine and assess unpaid fees payable as prescribed in this chapter.

3 Sec. 10.41.645. FORM OF APPLICATION FOR WITHDRAWAL. An application for
4 withdrawal shall be made on forms prescribed and furnished by the commissioner and shall be
5 executed and verified by a trustee for a trustee corporation, a member for a membership
6 corporation, or, for a corporation sole, the individual holding the position that owns the property
7 of the corporation sole, or, if the corporation is in the hands of a receiver or trustee, the
8 application shall be executed and verified on behalf of the corporation by the receiver or trustee.

9 Sec. 10.41.650. FILING OF APPLICATION FOR WITHDRAWAL. Duplicate originals
10 of an application for withdrawal shall be delivered to the commissioner for processing according
11 to AS 10.41.800 and issuance of a certificate of withdrawal.

12 Sec. 10.41.655. EFFECT OF CERTIFICATE OF WITHDRAWAL. On the issuance of
13 a certificate of withdrawal, the authority of a corporation to conduct affairs in this state ceases.

14 ARTICLE 9. REPORTS, FEES, AND PENALTIES.

15 Sec. 10.41.700. BIENNIAL REPORT. A domestic corporation and a foreign corporation
16 authorized to conduct affairs in this state shall file a biennial report with the commissioner of
17 commerce and economic development setting out

18 (1) the name of the corporation;

19 (2) the name and address of a person designated to act as agent for the purpose
20 of accepting service of process; and

21 (3) the real and personal property assets of the corporation.

22 Sec. 10.41.710. FILING OF BIENNIAL REPORT. (a) A biennial report of a domestic
23 or foreign corporation shall be filed with the department and is due before July 2 of the filing
24 year. The biennial report is delinquent if not filed before August 1 of each filing year as
25 provided in this section. Delinquent returns are subject to the penalty provided in AS 10.41.720.

26 (b) Proof to the satisfaction of the commissioner that on or before August 1 of the filing
27 year the report was deposited in the United States mail in a sealed envelope, properly addressed
28 with postage prepaid, is compliance with (a) of this section.

29 (c) The commissioner shall file the report if the commissioner finds that the report
30 conforms to the requirements of this chapter. If the commissioner finds that the report does not
31 conform to the requirements of this chapter, the commissioner shall promptly return it to the

1 corporation for necessary corrections. If the report is corrected to conform to the requirements
2 of this chapter and returned to the commissioner in sufficient time to be filed before October 1
3 of the year in which it is due, the penalty provided in AS 10.41.720 for failure to file the report
4 within the time required does not apply.

5 (d) Upon receipt of a form from the commissioner, a domestic or foreign corporation
6 shall file a biennial report within six months after original incorporation.

7 Sec. 10.41.720. PENALTIES. If a corporation organized under this chapter fails to file
8 a document required by this chapter or pay a fee within the time prescribed by this chapter the
9 commissioner shall collect a penalty of \$10 for the first month that the document or payment is
10 in default and \$100 for each additional month up to a total of five months, and after six months
11 without the filing or payment the commissioner may involuntarily dissolve the delinquent
12 corporation under AS 10.41.350(1).

13 Sec. 10.41.725. INTERROGATORIES BY COMMISSIONER; JUDICIAL
14 PROCEEDING TO CONTEST. (a) The commissioner may propound to a domestic or foreign
15 corporation interrogatories reasonably necessary and proper to enable the commissioner to
16 ascertain whether the corporation has complied with the provisions of this chapter.

17 (b) Interrogatories shall be propounded by the commissioner or a person designated by
18 the commissioner to

19 (1) the corporation organized under this chapter by mailing them to the
20 corporation's agent designated under AS 10.41.080 or 10.41.595;

21 (2) an individual officer or trustee by mailing by registered mail a copy of the
22 interrogatories addressed to the person at the person's office in this state.

23 (c) Interrogatories shall be answered within 30 days, or within the additional time fixed
24 by the commissioner or by the superior court. Answers shall be full and complete, in writing, and
25 under oath. If the interrogatories are directed to an individual they shall be answered by that
26 individual, and if directed to a corporation they shall be answered by

27 (1) in the case of a corporation sole, the corporation sole;

28 (2) in the case of a trustee corporation, a chair of the trustees or the chief
29 religious official;

30 (3) in the case of a membership corporation, the chief executive officer designated
31 in the articles of incorporation or the chief religious official.

1 (d) A petition stating good cause to extend the date for answer, to modify, or to set aside
2 the interrogatories propounded by the commissioner, or to enforce compliance with AS 10.41.735
3 may be filed in the superior court before the expiration of the 30 days fixed in this section for
4 answer.

5 Sec. 10.41.730. CONFIDENTIALITY OF INFORMATION DISCLOSED BY
6 INTERROGATORIES. Interrogatories and answers propounded and obtained under AS 10.41.725
7 are not open to public inspection and the commissioner may not disclose facts or information
8 obtained from the interrogatories except as official duty requires or unless the interrogatories or
9 answers are required for evidence in criminal proceedings or other action by the state.

10 Sec. 10.41.735. FAILURE TO ANSWER INTERROGATORIES. Unless otherwise
11 provided by an order of court issued in response to a petition filed under AS 10.41.725(d),

12 (1) a domestic or foreign corporation that fails or refuses to answer truthfully and
13 fully interrogatories propounded by the commissioner within the time prescribed by
14 AS 10.41.725(c) is guilty of a Class A misdemeanor; and

15 (2) the commissioner need not file a document to which the interrogatories relate
16 until the interrogatories are properly answered and need not file a document to which the
17 interrogatories relate if the answers disclose that the document does not conform to the provisions
18 of this chapter.

19 Sec. 10.41.740. FEES. (a) The commissioner shall establish by regulation, charge, and
20 collect a fee for

21 (1) filing articles of incorporation and issuing a certificate of incorporation;

22 (2) filing an application for a certificate of authority to conduct affairs in this state
23 and issuing the certificate;

24 (3) filing articles of amendment and issuing a certificate of amendment;

25 ~~---~~(4) filing a statement of change of the identity or address of a registered agent;

26 (5) a foreign corporation filing a certificate of the appointment and consent of an
27 agent residing in this state, or a certificate of revocation of the appointment of the resident agent;

28 (6) filing a document required by this chapter for the dissolution of a corporation
29 organized under this chapter;

30 (7) filing a document not listed under (1) - (6) of this subsection;

31 (8) furnishing a certified copy of a document.

1 (b) A fee required under this chapter shall be paid in advance.

2 (c) The fees charged under this section shall be uniform.

3 (d) The department may by regulation charge a corporation subject to this chapter a fixed
4 fee in place of the fees specified in this chapter and for routine administrative services rendered
5 to the corporation by the department.

6 Sec. 10.41.745. CANCELLATION OF CERTIFICATES ISSUED AND FILINGS
7 ACCEPTED. The commissioner may within one year after a filing, and after written notice to
8 the corporation or individual making a filing, cancel a certificate issued or filing accepted under
9 this chapter, on any ground existing at the time of issuance or filing for which the commissioner
10 could have originally refused to issue the certificate or accept the filing. The notice of
11 cancellation shall state the reason for the cancellation. A corporation or individual may request
12 a hearing within 90 days after receipt of the notice. Cancellation becomes final if the corporation
13 or individual does not request a hearing within 90 days after receipt of notice. Notice of
14 cancellation shall be sent by certified mail with return receipt requested. If the return receipt is
15 not received by the department within a reasonable time and the department has made diligent
16 inquiry as to the address of the corporation, notice may be made by publication in a newspaper
17 of general circulation in the vicinity of the registered office of the corporation or the address of
18 the individual who made the filing. Cancellation becomes final 60 days after publication of the
19 notice if the person or corporation does not request a hearing.

20 Sec. 10.41.750. FORMS TO BE FURNISHED BY THE COMMISSIONER. Reports
21 required by this chapter to be filed with the department or the commissioner shall be on forms
22 prescribed and furnished by the commissioner. Forms for other documents to be filed in the
23 office of the department or the commissioner shall be furnished by the commissioner on request,
24 but the use of these forms, unless required in this chapter, is not mandatory.

25 -- ARTICLE 10. MISCELLANEOUS PROVISIONS.

26 Sec. 10.41.800. PROCESSING OF WRITINGS FILED WITH THE COMMISSIONER.
27 If a writing delivered to the commissioner for filing conforms to law and all fees prescribed in
28 this chapter have been paid. The commissioner shall

29 (1) endorse on each duplicate original the word "filed" and the date of the filing;

30 (2) file one duplicate original in the office of the commissioner;

31 (3) return a duplicate original of the writing, together with any writing issued by

1 the commissioner attached to the original, to the corporation or its representative.

2 Sec. 10.41.810. APPEAL FROM DISAPPROVAL OF DOCUMENT. If the
3 commissioner fails to approve articles of incorporation, amendment, merger, consolidation, or
4 dissolution, or any other document required by this chapter to be approved by the commissioner,
5 the commissioner shall, within 10 days after the receipt of the document, give written notice of
6 disapproval to the person or corporation delivering the document, specifying the reasons for
7 disapproval. The person or corporation may appeal from the disapproval to the superior court
8 by filing with the clerk of the court a petition setting out a copy of the document sought to be
9 filed and a copy of the written disapproval. The matter shall be tried de novo by the superior
10 court, which shall either sustain the action of the commissioner or direct the commissioner to
11 take action the court considers proper.

12 Sec. 10.41.815. WRITINGS; CORRECTIONS. A writing relating to a corporation
13 organized under this chapter filed by the commissioner may be corrected if it contains an error
14 apparent on the face or defect in the execution of the writing including the deletion of a matter
15 not permitted to be stated in the writing. A certificate, entitled "Certificate of Correction of . .
16 . (correct title of writing and name of corporation)," shall be signed, verified, or acknowledged
17 in the same manner as the original writing and shall be delivered to the commissioner. The
18 certificate must set out the name of the corporation, the date the writing to be corrected was filed
19 by the commissioner, the provision in the writing corrected or eliminated and, if the execution
20 was defective, the proper execution. The filing of the certificate by the commissioner does not
21 alter the effective time of the writing being corrected and does not affect a right or liability
22 accrued or incurred before the filing. A corporate name may not be changed or corrected under
23 this section.

24 Sec. 10.41.820. WRITINGS AS EVIDENCE. (a) A writing filed by the commissioner
25 relating to a corporation organized under this chapter and containing statements of fact required
26 or permitted by law and a certification by the commissioner of the absence of a filing shall be
27 received in all courts, public offices, and official bodies as prima facie evidence of these facts
28 and of the execution of the writing.

29 (b) If under the laws of a jurisdiction other than this state a writing by an officer in that
30 jurisdiction or a copy of a writing certified or exemplified by an officer may be received as prima
31 facie evidence of the incorporation, existence, or capacity of a foreign corporation incorporated

1 in that jurisdiction, the writing when exemplified shall be received in all courts, public offices,
2 and official bodies of this state, as prima facie evidence with the same force as in that
3 jurisdiction. The writing or certified copy of the writing shall be received without being
4 exemplified if it is certified by the secretary of state or official performing the equivalent function
5 as to corporate records of that jurisdiction.

6 Sec. 10.41.830. CORPORATE SEAL AS EVIDENCE. The presence of a corporate seal
7 on a writing purporting to be executed by authority of a corporation organized under this chapter
8 shall be prima facie evidence that the writing was executed with the authority of the corporation.

9 Sec. 10.41.840. WAIVER OF NOTICE. If notice is required to be given to a trustee,
10 officer, or member of a corporation organized under this chapter or under the provisions of the
11 articles or bylaws of the corporation, a waiver of the notice in writing signed by the person
12 entitled to notice, whether before or after the time stated for notice, is equivalent to the giving
13 of notice.

14 ARTICLE 11. GENERAL PROVISIONS.

15 Sec. 10.41.900. POWERS OF COMMISSIONER. The commissioner has the power and
16 authority reasonably necessary to enable the commissioner to administer this chapter efficiently
17 and to perform the duties imposed by this chapter.

18 Sec. 10.41.910. REGULATIONS. To the extent provided by explicit reference in this
19 chapter, the department shall adopt regulations referred to in this chapter in accordance with the
20 Administrative Procedure Act (AS 44.62).

21 Sec. 10.41.920. RESERVATION OF POWER. The legislature reserves the right, at
22 pleasure, to alter, amend, suspend, or repeal in whole or in part this chapter, or a certificate of
23 incorporation or the authority to conduct affairs in this state, of a domestic or foreign corporation.

24 Sec. 10.41.930. SIGNATURE. "Signature" includes a mark when the signer cannot
25 write. The signer's name shall be written near the mark by a witness who shall write the
26 witness's own name near the signer's name. A signature by mark can be acknowledged or can
27 serve as a signature to a sworn statement.

28 Sec. 10.41.940. RULES OF CONSTRUCTION GOVERNING. (a) Unless a provision
29 or the context otherwise requires, the general provisions and rules of construction in this section
30 govern this chapter.

31 (b) When, by the provisions of this chapter, a power is granted to, or a duty imposed

1 upon a public officer, the power may be exercised or the duty performed by a deputy of the
2 officer or by a person authorized, under law, by the officer, unless this chapter expressly provides
3 otherwise.

4 (c) When a notice, report, statement, or record is required or authorized by this chapter,
5 it shall be made in writing in a manner reasonably calculated to communicate the notice, report,
6 statement, or record to the recipient.

7 (d) A reference in this chapter to mailing means first-class mail, postage prepaid, unless
8 certified mail is specified.

9 (e) Subject to any specific accounting treatment required by a particular section of this
10 chapter,

11 (1) references in this chapter to financial statements, balance sheets, and
12 references to assets, liabilities, and similar accounting items of a corporation mean financial
13 statements or accounting items prepared or determined fairly and reasonably to present the
14 purported matters;

15 (2) financial statements prepared or determined in accordance with generally
16 accepted accounting principles then applicable are fair and reasonable.

17 (f) A reference in this chapter to the time a notice is given or sent means the time a
18 written notice by mail is deposited in the United States mail, postage prepaid, the time any other
19 written notice is personally delivered to the recipient or is delivered to a common carrier for
20 transmission, or is actually transmitted by electronic means to the recipient by the person giving
21 the notice, or the time a notice is communicated in person or by electronic means to the recipient
22 or to a person at the office of the recipient who the person giving the notice has reason to believe
23 will promptly communicate it to the recipient.

24 (g) Since there are fundamental differences between for-profit corporations, nonprofit
25 corporations, and corporations organized under this chapter, it is not necessary to construe
26 language in this chapter to have the same meaning as similar or identical language in AS 10.06
27 or AS 10.21.

28 Sec. 10.41.990. DEFINITIONS. In this chapter, unless the context otherwise requires,

29 (1) "acknowledged" means that a document is accompanied by a certificate of its
30 acknowledgement as provided in AS 09.63.010 - 09.63.130;

31 (2) "approved by all the trustees" or "approval of all of the trustees" means

1 approval by the affirmative vote of the entire number of trustees provided in the articles or
2 bylaws when there are no vacancies;

3 (3) "approved by a majority of all members" or "approval of a majority of all
4 members" means approval by an affirmative vote or written ballot of a majority of the votes
5 entitled to be cast, including the affirmative vote of

6 (A) a majority of the outstanding memberships of each class, unit, or
7 grouping of members entitled by the articles or the bylaws to vote as a class, unit, or
8 grouping of members on the subject matter, and

9 (B) includes the affirmative vote of a greater proportion, including all of
10 the memberships of a class, unit, or grouping of members, if a greater proportion is
11 required by this chapter or the articles;

12 (4) "approved by the members" or "approval of the members" means approved
13 or ratified by the affirmative vote of a majority of the memberships entitled to vote represented
14 at a duly held meeting at which a quorum is present, unless the vote of a greater proportion,
15 including all, of the memberships of a class if a greater proportion is required by this chapter or
16 the articles for all or any specified member action;

17 (5) "approved by the trustees" or "approval of the trustees" means approved or
18 ratified by the vote of the trustees of a trustee corporation or by a committee authorized to
19 exercise the powers of the trustees, except as to matters not within the competence of the
20 committee;

21 (6) "articles" or "articles of incorporation" means the original or restated articles
22 of incorporation and all amendments;

23 (7) "bylaws" means a code of rules adopted for the regulation or management of
24 the affairs of the corporation irrespective of the name by which these rules are known;

25 (8) "certified mail" includes registered mail;

26 (9) "commissioner" means the commissioner of commerce and economic
27 development or a designee of the commissioner;

28 (10) "corporation" or "domestic corporation" means a corporation subject to the
29 provisions of this chapter, but does not include a foreign corporation;

30 (11) "corporation sole" means a corporation formed under AS 10.41.100(a) that
31 has conformed its articles to AS 10.41.105(a)(6)(A) and the incumbent who occupies the

1 designation as corporation sole;

2 (12) "department" means the Department of Commerce and Economic
3 Development;

4 (13) "donation" includes the transfer of any legal consideration if the transferor
5 becomes entitled to a charitable tax deduction upon transfer; "donation" does not include a grant
6 or other transfer from or by a state, federal, municipal, or other governmental agency or body;

7 (14) "filed" means filed in the office of the commissioner unless otherwise
8 expressly provided;

9 (15) "foreign corporation" means a corporation organized under laws other than
10 the laws of this state that would, if formed in this state, be a religious corporation under this
11 chapter;

12 (16) "insolvent" means the inability of a corporation to pay its debts as they
13 become due in the regular course of business;

14 (17) "member" means a person having membership rights in a membership
15 corporation in accordance with the provisions of its articles of incorporation;

16 (18) "membership corporation" means a corporation formed under AS 10.41.100(f)
17 that has conformed its articles to AS 10.41.105(a)(6)(C);

18 (19) "organic change" means a merger, consolidation, or sale of assets other than
19 in the regular course of business;

20 (20) "resulting corporation" means a new corporation organized under this chapter
21 as a result of a consolidation of two or more religious corporations;

22 (21) "state" means any of the United States, the District of Columbia, the
23 Commonwealth of Puerto Rico, the Northern Mariana Islands, Guam, the Virgin Islands,
24 American Samoa, the Trust Territory of the Pacific Islands, or any other territory or possession
25 of the United States;

26 (22) "trustee" means any person elected, appointed, or designated a trustee of a
27 trustee corporation organized under AS 10.41.100(b) - (e);

28 (23) "trustee corporation" means a corporation formed under AS 10.41.100(b)
29 that has conformed its articles to AS 10.41.105(a)(6)(B);

30 (24) "surviving corporation" means a corporation into which one or more other
31 corporations are merged;

1 (25) "vacancy" when used with respect to the body of trustees means any au-
2 thorized position of trustee that is not then filled by a duly elected, appointed, or designated
3 trustee, whether caused by death, resignation, removal, change in the authorized number of
4 trustees, or other event;

5 (26) "verified" means certified as true under AS 09.63.040;

6 (27) "vote" includes authorization by written consent;

7 (28) "writing" includes any form of recorded message capable of comprehension
8 by ordinary visual means.

9 * Sec. 3. AS 10.20 and AS 10.40 are repealed.

10 * Sec. 4. In the following statutes, the revisor of statutes is directed to replace references to AS 10.20
11 with references to AS 10.21: AS 04.11.240(a); AS 10.06.828, 10.06.845(c), 10.06.850; AS 10.30.055;
12 AS 13.16.705(f); AS 16.10.380(c), 16.10.400(a), 16.10.400(e); AS 29.35.130(a); AS 44.33.135(a);
13 AS 47.10.310(b); and AS 47.40.091.

14 * Sec. 5. EXERCISE OF RESERVE POWER. It is the intent of the legislature in enacting
15 AS 10.21.450(a) and AS 10.41.220 in secs. 1 - 2 of this Act to exercise to the fullest extent the reserve
16 power of the state over corporations and to authorize any amendments of the articles permitted under
17 AS 10.21.450(a) or AS 10.41.220 regardless of whether a provision contained in the amendment was
18 permissible at the time of the original incorporation of the corporation.

19 * Sec. 6. GENERAL APPLICATION PROVISIONS. (a) Except as otherwise expressly provided
20 by this Act, AS 10.21, enacted by sec. 1 of this Act, applies on and after July 1, 1992, to

21 (1) a corporation organized under former AS 10.20 and existing on July 1, 1992;

22 (2) a foreign corporation that is authorized immediately before July 1, 1992, under former
23 AS 10.20 to conduct affairs in the state;

24 (3) a foreign corporation that conducts affairs in the state on or after July 1, 1992;

25 (4) actions by a director, officer, or member of a corporation described in (1) - (3) of this
26 subsection on and after July 1, 1992.

27 (b) Except as otherwise expressly provided by this Act, a section of AS 10.21., enacted by sec. 1
28 of this Act, governing acts, contracts, or other transactions by a corporation or its directors, officers, or
29 shareholders applies only to acts, contracts, or transactions occurring on or after July 1, 1992, and the
30 provisions of former AS 10.20 govern acts, contracts, or transactions occurring before July 1, 1992.

31 (c) Except as otherwise expressly provided by this Act, a vote or consent by the directors or

1 members of a corporation before July 1, 1992, under the provisions of former AS 10.20 is effective, and
2 if a certificate or document is required to be filed in a public office of the state relating to the action,
3 the certificate or document may be filed after July 1, 1992, under the provisions of former AS 10.20.

4 (d) Except as otherwise expressly provided by this Act, AS 10.41, enacted by sec. 2 of this Act,
5 applies on and after July 1, 1992, to

6 (1) a corporation organized under former AS 10.40 and existing on July 1, 1992;

7 (2) actions by an officer, body, or member of a corporation described in (1) of this
8 subsection on and after July 1, 1992.

9 (e) Except as otherwise expressly provided by this Act, a section of AS 10.40 governing acts,
10 contracts, or other transactions by a corporation or by an officer, body, or member of a corporation
11 applies only to acts, contracts, or transactions occurring before July 1, 1992.

12 (f) Except as otherwise expressly provided by this Act, a vote or consent by an officer, body,
13 or member of a corporation before July 1, 1992, under the provisions of former AS 10.40 is effective,
14 and if a certificate or document is required to be filed in a public office of the state relating to the
15 action, the certificate or document may be filed after July 1, 1992, in accordance with the provisions of
16 former AS 10.40.

17 (g) If a domestic corporation organized under former AS 10.20 and existing on July 1, 1992, is
18 formed for the purposes identified under AS 10.41.005, enacted by sec. 2 of this Act, the corporation
19 shall on or before July 1, 1997, amend its articles to conform to AS 10.41.105 and 10.41.110 and shall
20 be governed by AS 10.41 from the date the amended articles are filed with the Department of Commerce
21 and Economic Development. If the corporation does not make the amendments as required by this
22 subsection, the corporation shall be considered on and after July 1, 1997, to be a membership corporation
23 organized under and subject to AS 10.41. In this subsection, "membership corporation" has the meaning
24 given in AS 10.41.680.

25 (h) If a foreign corporation that is existing on July 1, 1992, and that has received a certificate
26 of authority under former AS 10.20 is formed for the purposes identified under AS 10.41.005, enacted
27 by sec. 2 of this Act, the corporation shall, on or before July 1, 1997, amend its certificate of authority
28 to conform to AS 10.41.550 and shall be governed by AS 10.41 from the date the application for an
29 amended certificate is filed with the Department of Commerce and Economic Development. If the
30 corporation does not file the amended certificate of authority as required by this subsection, the
31 corporation shall be considered on and after July 1, 1997, to be a membership corporation subject to

1 AS 10.41. In this subsection, "membership corporation" has the meaning given in AS 10.41.990.

2 (i) If a corporation organized under former AS 10.40 and existing on July 1, 1992, is not formed
3 for the purposes identified under AS 10.41.005, enacted by sec. 2 of this Act, the corporation shall on
4 or before July 1, 1997, amend its articles to conform to AS 10.21.105 and 10.21.110 and shall be
5 governed by AS 10.21 from the date the amended articles are filed with the Department of Commerce
6 and Economic Development. If the corporation does not make the amendments as required by this
7 subsection, the corporation shall be considered on and after July 1, 1997, to be a public benefit
8 corporation organized under and subject to AS 10.41. In this subsection, "public benefit corporation"
9 has the meaning given in AS 10.21.990.

10 (j) Except as otherwise expressly provided by this Act, the provisions of AS 10.21.105 and
11 10.21.110, enacted by sec. 1 of this Act, relating to the contents of articles of incorporation do not apply
12 to corporations organized under former AS 10.20 and existing on July 1, 1992, unless and until an
13 amendment of the articles is filed stating that the corporation elects to be governed by all of the
14 provisions of AS 10.21 not otherwise applicable to it under this Act. If an amendment does not change
15 the articles of incorporation other than conforming the statement of purposes and powers to
16 AS 10.21.105(a)(2) or 10.21.110(1)(E), enacted by sec. 1, of this Act, or deletes references to the
17 location of the principal office, it may be adopted by approval of the board of directors of the
18 corporation alone; otherwise, it shall be approved as provided in AS 10.21.450 - 10.21.453, enacted by
19 sec. 1 of this Act. This subsection may not be interpreted to mean that a corporation is not bound by
20 its articles of incorporation existing on July 1, 1992.

21 (k) Except as otherwise expressly provided by this Act, a corporation organized under former
22 AS 10.20 and existing on July 1, 1992, shall comply with AS 10.21.105 and 10.21.110, enacted by sec. 1
23 of this Act, on or before July 1, 1997.

24 (l) Except as otherwise expressly provided by this Act, the provisions of AS 10.41.105 and
25 10.41.110, enacted by sec. 2 of this Act, relating to the contents of articles of incorporation, do not apply
26 to corporations organized under former AS 10.40 and existing on July 1, 1992, unless and until an
27 amendment of the articles is filed stating that the corporation elects to be governed by all of the
28 provisions of AS 10.41 not otherwise applicable to it under this Act. This subsection may not be
29 interpreted to mean that a corporation is not bound by its articles existing on July 1, 1992.

30 (m) Except as otherwise expressly provided by this Act, a corporation organized and existing
31 under the provisions of former AS 10.40 shall comply with AS 10.41.105 and 10.41.110, enacted by

1 sec. 2 of this Act, on or before July 1, 1997.

2 * **Sec. 7. APPLICABILITY TO CERTAIN CORPORATIONS WITH CLASSIFIED DIRECTORS.**

3 (a) Notwithstanding AS 10.21.355(e) and 10.21.365, if a corporation is organized under 43 U.S.C.
4 1601 - 1629e and if the corporation's bylaws, as the bylaws exist immediately before July 1, 1992,
5 contain a provision that complies with former AS 10.20 and provides for a board of directors consisting
6 of three or fewer classes of directors with terms of office extending not longer than the third annual
7 meeting after the directors' election, the corporation may continue to elect directors in the classes and
8 for the terms provided under the bylaws.

9 (b) The application of (a) of this section terminates if on or after July 1, 1992, the corporation
10 modifies or eliminates the provisions of the corporation's bylaws on the classification and terms of office
11 of the corporation's directors.

12 (c) Notwithstanding AS 10.21.355(e) and 10.21.365, if a corporation is not covered by (a) of this
13 section, if the corporation is organized under former AS 10.20, and if the corporation's bylaws, as the
14 bylaws exist immediately before July 1, 1992, contain a provision that complies with former AS 10.20
15 and provides for a classified board of directors, the corporation may continue to elect directors in the
16 classes and for the terms provided under the bylaws until July 1, 1997.

17 * **Sec. 8. TENURE OF OFFICERS PRESERVED.** If a person holds an office under a law repealed
18 by this Act, the person shall continue to hold the office according to its former tenure if the office is
19 continued by this Act.

20 * **Sec. 9. INDEMNIFICATION BY A CORPORATION.** AS 10.21.440, as enacted by sec. 1 of this
21 Act, governs a proposed indemnification by a corporation after July 1, 1992, whether the events upon
22 which the indemnification is based occurred before or after the effective date of this Act. A statement
23 relating to indemnification contained in the articles or bylaws of a corporation on the effective date of
24 this Act may limit the indemnification permitted by AS 10.21.440 unless the statement expressly states
25 that indemnification is limited.

26 * **Sec. 10. EXISTING ACTIONS, LIABILITIES, PENALTIES, AND SPECIAL PROCEEDINGS.**
27 The enactment of AS 10.21 and AS 10.41 by secs. 1 - 2 of this Act does not affect a cause of action,
28 liability, penalty, or special proceeding existing, incurred, or accrued on July 1, 1992.

29 * **Sec. 11. COURT RULES AMENDED BY AS 10.21.** (a) AS 10.21.015(b)(1), enacted by sec. 1
30 of this Act, amends Alaska Rule of Civil Procedure 19 by making all parties to a contract covered by
31 AS 10.21.015(b)(1) indispensable parties to certain actions under AS 10.21.015(b)(1).

1 (b) AS 10.21.190(c), enacted by sec. 1 of this Act, amends

2 (1) Alaska Rule of Civil Procedure 79(b) by including all discovery costs in the costs that
3 are to be awarded to certain successful plaintiffs;

4 (2) Alaska Rule of Civil Procedure 82 by requiring that certain successful plaintiffs be
5 awarded reasonable attorney fees.

6 (c) AS 10.21.305(d), enacted by sec. 1 of this Act, amends Alaska Rule of Civil Procedure 82
7 by allowing the court to award reasonable attorney fees.

8 (d) AS 10.21.308(d), enacted by sec. 1 of this Act, amends Alaska Rule of Civil Procedure 82
9 by allowing the court to award reasonable attorney fees.

10 (e) AS 10.21.315(b), enacted by sec. 1 of this Act, amends Alaska Rule of Civil Procedure 82
11 by allowing the court to award reasonable attorney fees.

12 (f) AS 10.21.318(j), enacted by sec. 1 of this Act, amends Alaska Rule of Civil Procedure 82
13 by

14 (1) changing the criteria for awarding attorney fees; and

15 (2) allowing the court to award reasonable attorney fees.

16 (g) AS 10.21.540, enacted by sec. 1 of this Act, amends

17 (1) Alaska Rule of Civil Procedure 3 by establishing a different criteria for determining
18 the venue of the action allowed under AS 10.21.540;

19 (2) Alaska Rule of Civil Procedure 4 by establishing how service of process shall be
20 made on nonresidents and requiring service by publication without satisfying the criteria established by
21 the rule;

22 (3) Alaska Rule of Civil Procedure 19 by making all dissenting members indispensable
23 parties to the action allowed under AS 10.21.540;

24 (4) Alaska Rule of Civil Procedure 79 by prohibiting the court from awarding the fees
25 and expenses of experts in an action under this section;

26 (5) Alaska Rule of Civil Procedure 79 by excluding the fees and expenses of experts from
27 the costs to be awarded, except in the circumstances covered by AS 10.21.548(d);

28 (6) Alaska Rule of Civil Procedure 82 by prohibiting the court from awarding attorney
29 fees in an action under this section.

30 (h) AS 10.21.573, enacted by sec. 1 of this Act, amends

31 (1) Alaska Rule of Civil Procedure 19 by making the commissioner of commerce and

1 economic development an indispensable party in an action for involuntary dissolution without the
2 necessity of complying with the criteria in the rule.

3 (2) Alaska Rule of Civil Procedure 24 by allowing a creditor to intervene without the
4 necessity of complying with the criteria of the rule and by removing the court's discretion to decide if
5 the intervention is timely.

6 (i) AS 10.21.578, enacted by sec. 1 of this Act, amends

7 (1) Alaska Rule of Appellate Procedure 602 by changing what the corporation must file
8 in order to begin an appeal from a decision under AS 10.21.578 of the commissioner of commerce and
9 economic development;

10 (2) Alaska Rule of Appellate Procedure 609 by requiring that the appeal be tried de novo
11 by the superior court;

12 (3) Alaska Rule of Civil Procedure 17 by allowing an assignee to bring a contract action
13 under AS 10.21.578(g) without the necessity of satisfying the real-party-in-interest criteria of the rule;

14 (4) Alaska Rule of Civil Procedure 8 by requiring that certain information be set out in
15 the complaint when an assignee brings a complaint under AS 10.21.578(g);

16 (5) Alaska Rule of Civil Procedure 4 by directing that service of process is to be made
17 as the rule requires for corporations even though the corporation is dissolved.

18 (j) AS 10.21.623, enacted by sec. 1 of this Act, amends Alaska Rule of Civil Procedure 19 by
19 allowing a person who received an improper distribution to be joined as a party without the necessity
20 of complying with the rule's criteria for the permissive joinder of parties.

21 (k) AS 10.21.628, enacted by sec. 1 of this Act, amends

22 (1) Alaska Rule of Civil Procedure 4 by changing the rules of service for a corporation;

23 (2) Alaska Rule of Civil Procedure 24 by allowing a member, creditor, or the
24 commissioner of commerce and economic development to intervene in an action brought under
25 AS 10.21.628 without the necessity of complying with the criteria for intervening parties in the rule.

26 (l) AS 10.21.653, enacted by sec. 1 of this Act, amends

27 (1) Alaska Rule of Civil Procedure 19 by making the commissioner of commerce and
28 economic development an indispensable party in an action under the section without the necessity of
29 complying with the criteria in the rule;

30 (2) Alaska Rule of Civil Procedure 24 by allowing a member, a creditor, or the
31 commissioner of commerce and economic development to intervene without the necessity of complying

1 with the criteria of the rule.

2 (m) AS 10.21.658, enacted by sec. 1 of this Act, amends

3 (1) Alaska rule of Civil Procedure 4 by directing that service of process is to be made
4 as the rule requires for corporations even though the corporation is dissolved;

5 (2) Alaska Rule of Civil Procedure 8 by requiring that certain information be set out in
6 the complaint when an assignee brings a complaint under AS 10.21.658(g);

7 (3) Alaska Rule of Civil Procedure 17 by allowing an assignee to bring a contract action
8 under AS 10.21.658(g) without the necessity of satisfying the real-party-in-interest criteria of the rule;

9 (4) Alaska Rule of Appellate Procedure 602 by changing what the corporation must file
10 in order to begin an appeal from a decision under AS 10.21.658 of the commissioner of commerce and
11 economic development;

12 (5) Alaska Rule of Appellate Procedure 609 by requiring that the appeal be tried de novo
13 by the superior court.

14 (n) AS 10.21.705, enacted by sec. 1 of this Act, amends Alaska Rule of Civil Procedure 19 by
15 allowing a person who received an improper distribution to be joined as a party without the necessity
16 of complying with the rule's criteria for the permissive joinder of parties.

17 (o) AS 10.21.710, enacted by sec. 1 of this Act, amends

18 (1) Alaska Rule of Civil Procedure 4 by changing the rules of service for a corporation;

19 (2) Alaska Rule of Civil Procedure 24 by allowing the commissioner of commerce and
20 economic development to intervene in an action brought under AS 10.21.710 without the necessity of
21 complying with the criteria for intervening parties in the rule.

22 (p) AS 10.21.894, enacted by sec. 1 of this Act, amends

23 (1) Alaska Rule of Appellate Procedure 602 by changing what the corporation must file
24 in order to begin an appeal from a revocation under AS 10.21.894 of the commissioner of commerce
25 and economic development;

26 (2) Alaska Rule of Appellate Procedure 609 by requiring that the appeal be tried de novo
27 by the superior court.

28 (q) AS 10.21.910, enacted by sec. 1, of this Act, amends

29 (1) Alaska Rule of Appellate Procedure 602 by changing what the corporation must file
30 in order to begin an appeal from a disapproval under AS 10.21.910 of the commissioner of commerce
31 and economic development;

1 (2) Alaska Rule of Appellate Procedure 609 by requiring that the appeal be tried de novo
2 by the superior court.

3 (r) AS 10.21.920, enacted by sec. 1 of this Act, amends Alaska Rule of Evidence 803 by
4 requiring the court to receive as evidence certain documents dealing with corporations.

5 * Sec. 12. COURT RULES AMENDED BY AS 10.41. (a) AS 10.41.175, enacted by sec. 2 of this
6 Act, amends Alaska Rule of Civil Procedure 24 by allowing the commissioner of commerce and
7 economic development to intervene in an action under AS 10.41.175 without the necessity of complying
8 with the criteria for intervention established by the rule.

9 (b) AS 10.41.360, enacted by sec. 2 of this Act, amends

10 (1) Alaska Rule of Civil Procedure 17 by allowing an assignee to bring a contract action
11 under AS 10.41.360(b) without the necessity of satisfying the real-party-in-interest criteria of the rule;

12 (2) Alaska Rule of Civil Procedure 8 by requiring that certain information be set out in
13 the complaint when an assignee brings a complaint under AS 10.41.360(b)

14 (c) AS 10.41.810, enacted by sec. 2 of this Act, amends

15 (1) Alaska Rule of Appellate Procedure 602 by changing what the corporation must file
16 in order to begin an appeal from a disapproval under AS 10.41.605 of the commissioner of commerce
17 and economic development;

18 (2) Alaska Rule of Appellate Procedure 609 by requiring that the appeal be tried de novo
19 by the superior court.

20 (d) AS 10.41.820, enacted by sec. 2 of this Act, amends Alaska Rule of Evidence 803 by
21 requiring the court to receive as evidence certain documents dealing with corporations.

22 * Sec. 13. This Act takes effect July 1, 1992.

SB 205 and HB 219: Nonprofit Corporation Code Revision

The Department of Commerce and Economic Development has been asked to comment on SB 205 and HB 219. While the department is aware that abuses may be present in fund raising activities of nonprofit corporations, it would be difficult to convert a filing office activity of the department into that of an enforcement agency.

OK to file HB 219 is discreet. O.K. make discretionary.

In Section 10.21.190(b), the Commissioner is listed as the person who would take action in "breach of charitable trust." Often the State is seen as an agency with resources and is expected to represent all of the public's needs.

In both Sections 10.21.195(b) and (c) and 10.21.198, the Commissioner has defined responsibility in certain cases where nonprofit corporations' assets are distributed. This broad delegation of responsibility to safeguard interest of the public further embroils the department in corporate affairs.

OK. make discretionary. OK.

Section 10.21.415 and Section 10.21.420 involve the department as a regulatory agency to take action in certain circumstances.

is discreet. 425(b) is discreet.

Sections 10.21.500-10.21.503 require the Commissioner to make certain findings in cases of consolidation and mergers in a manner which is regulatory and restrictive in nature.

OK withdraw opp.

Section 10.21.563 provides that, in some instances where there are inadequate assets to pay a receiver, the court may appoint the Commissioner. This could place a financial burden upon the department.

OK now withdraw

The department has no objection of filing sufficient information provided by corporations that would disclose accountability of revenue and expenditures of nonprofit corporations. This information could then be readily available to all interested parties upon inquiry.

It will be difficult, however, and expensive to convert the functions of the Corporations Section staff from administrators of records to that of enforcement agents or reactive watchmen of nonprofit corporations.

The department would be more than pleased to work with committee members and the Alaska Code Revision Commission in addressing the concerns addressed herein and a few other minor administrative details that should be considered to provide greater efficiency in the administration of the act.

Glenn A. Olds, Commissioner

Date: _____

ALASKA CODE REVISION COMMISSION

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EXECUTIVE SECRETARY
TAMARA BRANDT COOK

March 3, 1992

The Honorable David Finkelstein
Representative
Alaska State Legislature
Chair, House Labor and Commerce
State Capitol
Juneau, AK 99801-1182

Re: Proposed Amendments to HB 219 and SB 205; The Nonprofit Corporation Code Revision.

Dear Chairman Finkelstein:

This letter will follow up on information being provided to you by the division of corporations concerning amendments to HB 219 and SB 205. I met with Mr. Monagle, the corporations supervisor, and we were able to agree on all of the recommended amendments contained in the letter from Commissioner Glenn Olds (which this letter references). Staff members for both the House and Senate Labor and Commerce Committees requested that the committees be provided with justification for one of the proposed amendments. That amendment would modify HB 10.21.852 by deleting subsections 7 and 8 (P. 123, lines 26-29, inclusive) from that section. While the Code Revision Commission is willing to acquiesce in the deletion of those two subsections, it is for the purpose of attempting to work out all of the language differences with the Division of Corporations. The provisions were placed in the draft bill because they serve a useful and needed purpose in the bill.

If the committees feel that the retention of subsections 7 and 8 will not impose an undue burden upon the Division of Corporations, they should be retained for the following

Letter to the Honorable
David Finkelstein
HB 219 and SB 205
Page 1 of 3

reasons. During public hearings held by the Alaska Code Revision Commission on the nonprofit corporation code, one of the frequent complaints was that small nonprofits did not have the funds or the manpower to meet the reporting requirements then set forth in the proposed bill. The Commission has sought to accommodate this inability on the part of small nonprofits by providing for the filing of only one document which will set forth a limited amount of financial information. This information would be included as a part of the information required by the Division of Corporation for the biennial report which is required to be filed by nonprofit corporations. As such, small nonprofits could satisfy their reporting obligations with the filing of one document. Nothing in § 852 would require cross-referencing or indexing. The biennial report would merely become the repository for certain minimal financial data so that any person with a relationship to the corporation would have access to this information without having to place an undue burden on the small nonprofit. No additional work would be required by the Division of Corporations once the form biennial report was adopted (the Division needs to only duplicate the language contained in § 852 and the form is complete). The Division of Corporations has no obligation under this section to do *anything* with the information other than to make sure that all of the information sections have been filled out. It has no obligation to independently *verify* the information that is provided or take any action of any nature on this information. In short, the inclusion of the information contained in subsections 7 and 8 will pose no additional burden upon the Division of Corporations. While the Division is free to create a database using this information, that is entirely discretionary with the division and is not required by the section.

The information required by and contained in § 852 will be located in the public records and in almost all instances, the biennial report will be the only place where such information can be obtained. Accordingly, it will serve a very useful purpose for disseminating information to those persons, members, contributors or creditors, who do business with Alaska nonprofit corporations. Balancing the burden (there are none) against the benefits (which are substantial), it seems that these two subsections should remain in the bill. Given the recent events concerning the national United Way organization, it cannot be disputed that financial information should be readily available to avoid the type of grossly disproportionate salaries that can occur and, in fact, did occur in the national United Way organization.

Turning to another point, it is my understanding that the Division of Corporations will not be requesting withdrawal or modification of the fiscal note submitted on its behalf. It is the Commission's position that there is no merit whatsoever to the request for additional funding based upon HB 219 and SB 205. An examination of the bill will quickly and easily reveal that the provisions for oversight and regulation are almost uniformly discretionary with the Division of Corporations. Those instances of obligations being imposed upon the Division are merely a continuation of statutory obligations *presently* in

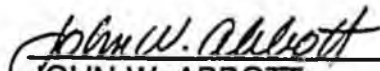
force and undertaken by the Division. HB 219 and SB 205 do not require that the Division adopt a pro-active posture in enforcement of the proposed codes. It seems to me that if the Division of Corporations wants to play a more active role in corporation enforcement matters, a position request for a person with an accounting should appear in its annual budget with support for the new position.

I believe that the Division will pursue its request in front of the Senate or House Judiciary Committee and will not be providing its justification for the fiscal note with the Senate or House Labor and Commerce Committees.

If I can provide you with any additional information, please contact me at (907) 346-1039 and I will get back to you as soon as possible. You can also use the same number as a FAX number if you wish.

Finally, thanks for the help with the bill. I hope that it finds acceptance with the committees and we can continue with our efforts to overhaul the Title 10 corporation chapters.

Very truly yours,



JOHN W. ABBOTT
Chair

cc: The Honorable Drue Pearce
Mike Monagle



ALASKA
CHILDREN'S
SERVICES

April 8, 1992

David Finkelstein, Representative
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Finkelstein:

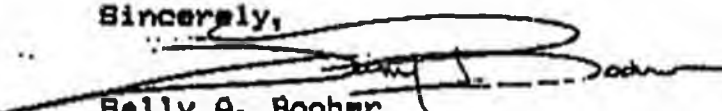
I am writing regarding House Bill 2191, Revision of the Nonprofit Corporation Code.

This bill has only recently come to the attention of the nonprofit community. I am concerned that a code that is currently functioning with minimal problems is proposed to be dramatically changed. At first blush, I have several concerns:

1. The proposed revision is a huge document that the average administrator will be unable to decipher. This translates to requiring legal counsel.....and money.
2. Further legal counsel will be needed to handle litigation to determine meanings of undefined terms in the code like "reasonable."
3. Professional accountants have advised us that they, too, could not decipher meanings and requirements related to financial reportage and accountability.
4. Additional oversight is being added on nonprofits who are already scrutinized by a variety of government agencies.
5. Nonprofits have not had an opportunity to thoroughly evaluate the proposed legislation and its impact on the delivery of their services. We were not included in the development of the code and were not able to get adequate copies of it from the Legislative Information Office.
6. In a time when nonprofits are experiencing shrinking funding, we are being asked to fund increased legal, accounting, and administrative costs; at the same time, the state will need to expend more money to fund the oversight required in the proposed code.

I urge you to vote against passage of HB 219.

Sincerely,


Bally A. Booher
Acting Executive Director

4600 Abbott Road, Anchorage, Alaska 99507-4314 • (907) 346-2741 • Fax (907) 346-2748

ACS is a Christian mission of Annonan Baptist Churches in the USA, Evangelical Lutheran Church in America, United Methodist Church, and Christian Church (Disciples of Christ). A United Way agency ACS is fully accredited by the Joint Commission on Accreditation of Health Care Organizations.