

for any public use, or devoted thereto," as used herein, shall not be deemed to include the right, equity, claim or title of the city to property sold for delinquent taxes.

This Act shall not be held to affect the provisions of Chapter 32 of the Session Laws of Alaska of 1917. Chap. 32, S.L.A. 1917, not affected.

Section 2. An emergency is hereby declared to exist and this Act shall be in full force and effect from and after the date of its passage and approval." Emergency.

Approved April 4, 1931.

CHAPTER 8.

AN ACT

[S. B. 8]

To revise the general laws of business corporations of the Territory of Alaska and repealing Chapter 73 of the Session Laws of Alaska, 1923, and Chapter 43 of the Session Laws of Alaska, 1929, and declaring an emergency to give this Act immediate effect.

Be it enacted by the Legislature of the Territory of Alaska:

Section 1. That three or more natural persons of full age may unite to form a stock corporation for any lawful business purpose or purposes, whose chief business shall be in the Territory of Alaska, except for the purpose of banking, insurance, brokerage, or loan, trust and guaranty associations. Who may incorporate. Exceptions.

Section 2. That the articles of incorporation shall be made in triplicate, signed by each of the incorporators, acknowledged by at least three of them before an officer authorized to take acknowledgments of deeds; one of such articles shall be filed in the office of the Auditor of the Territory of Alaska; another in the office of the clerk of the district court of the judicial division in which the principal place of business of the corporation is intended to be located, and How incorporation effected

the third articles shall be retained by the corporation, and each copy so filed shall be recorded by the officer with whom filed in a book to be kept by him for that purpose. Such articles shall contain and state:—

What articles shall contain.

1. The name of the corporation which shall not be the same as, nor so similar as to cause confusion with the name of any other domestic corporation or foreign corporation admitted to do business in this Territory, and shall be such as to indicate that it is a corporation as distinguished from a natural person or partnership.

II. The purpose or purposes for which it is formed.

III. If the corporation is to be authorized to issue only one class of stock, the total number of shares of stock which the corporation shall have authority to issue and (a) the par value of each of such shares, or (b) a statement that all such shares are to be without par value; or if the corporation is to be authorized to issue more than one class of stock, the total number of shares of all classes of stock which the corporation shall have authority to issue and (a) the number of the shares of each class thereof that are to have a par value and the par value of each share of each such class, and/or (b) the number of such shares that are to be without par value, and (c) a statement of all or any of the designations and the powers, preferences and rights, and the qualifications, limitations or restrictions thereof, which are permitted by the provisions of Section 5 of this Act in respect of any class or classes of stock of the corporation and the fixing of which by the articles of incorporation is desired, and an express grant of such authority as it may then be desired to grant to the board of directors to fix by resolution or resolutions any thereof that may be desired but which shall not be fixed by said articles. The provisions of this paragraph shall not apply to corporations which are not organized for profit and which are not to have authority to issue

capital stock. In the case of such corporations, the fact that they are not to have authority to issue capital stock shall be stated in the articles of incorporation, and the conditions of membership shall be stated therein.

IV. The location of its principal place of transacting business, which shall be within the Territory.

V. The period of duration, if limited.

VI. The highest amount of indebtedness or liability to which said corporation shall at any time be subject.

VII. The number of its directors, which shall not be less than three, and at least one of whom shall be an actual resident of the Territory of Alaska, with the names and post office address of each of those selected to serve for the first year, or until their successors are elected and qualified. The incorporators shall have power to elect a board of directors to serve for the first year of the life of the corporation, or until the stockholders shall meet and elect directors and the latter qualify.

VIII. The names and places of residence of the persons forming the corporation.

IX. Any other provisions not inconsistent with this Act, regulating the business and conduct of the affairs of the corporation and limiting its power, and the power of its directors and stockholders not exempting them, however, from any obligation nor from the performance of any duty imposed by law.

X. The articles of incorporation may be amended when authorized by the holders of a majority of the stock at a regular meeting of the stockholders. The amended articles of incorporation shall be executed and acknowledged by the board of directors, or a majority of them, and shall be filed and recorded in the same manner and place as the original articles of incorporation.

Section 3. That when the articles of incorporation have been filed and recorded, the persons who have duly executed the same and their successors shall be a body corporate and politic in fact and in law in the name stated in the articles of incorporation, and by such corporate name shall have succession for the time stated in such articles of incorporation, and shall have power:

Powers of corporation.

I. To make and use a common seal, and alter the same at pleasure.

II. To sue and be sued by its corporate name in any court having jurisdiction.

III. To purchase, hold, mortgage, sell and convey real and personal property subject to such limitations as shall be prescribed by law.

IV. To appoint such officers, agents and servants as the business of the corporation shall require, to define their powers, prescribe their duties, and fix their compensations.

V. To make by-laws not inconsistent with any existing law, fixing or altering the management of its property, the regulation and government of its affairs, and the manner of the certification and transfer of its stock.

VI. To wind up and dissolve itself, or to be wound up and dissolved in the manner hereinafter prescribed.

VII. To carry on all kinds of business within the scope and power of its articles of incorporation.

Certificates and transfer thereof.

Section 4. The stock of every corporation organized under the provisions of this Act shall be represented by certificates, the form of which shall be determined by the directors, and signed by the president or vice-president, and sealed with the seal of the corporation, and shall be transferable as provided in Chapter 67 of the Session Laws of Alaska of 1913.

Section 5. Every corporation shall have power to issue one or more classes of stock or one or more series of stock within any class thereof, any or all of which classes may be of stock with par value or stock without par value, with such voting power, full or limited, or without voting powers and in such series and with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof as shall be stated and expressed in the articles of incorporation or any amendment thereto, or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors pursuant to authority expressly vested in it by the provisions of the articles of incorporation or of any amendments thereto. The power to increase or decrease or otherwise adjust the capital stock as in this Act elsewhere provided shall apply to all or any of such classes of stock. Any preferred or special stock may be made subject to redemption at such time or times and at such price or prices as may be issued in such series, with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof as shall be stated and expressed in the articles of incorporation, or any amendment thereto, or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors as hereinabove provided. The holders of preferred or special stock of any class or any series thereof shall be entitled to receive dividends at such rates, on such conditions and at such times as shall be stated and expressed in the articles of incorporation, or in any amendment thereto, or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors as hereinabove provided, payable in preference to, or in such relation to, the dividends payable on any other class or classes of stock, and cumulative or non-cumulative as shall be so stated and expressed. When dividends upon the pre-

Two or more kinds of stock may be created.

Power to increase or decrease stock.

Dividends, how paid.

ferred and special stock, if any, to the extent of the preference to which such stocks are entitled, shall have been paid or declared and set apart for payment, a dividend on the remaining class or classes of stock may then be paid out of the remaining assets of the corporation available for dividends as elsewhere in this Act provided. The holders of the preferred or special stock of any class or of any series thereof shall be entitled to such rights upon the dissolution of, or upon any distribution of the assets of, the corporation as shall be stated and expressed in the articles of incorporation, or any amendment thereto, or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors as hereinabove provided; and any preferred or special stock of any class or of any series thereof may be made convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same, or any other class or classes, of stock of the corporation at such price or prices or at such rates of exchange and with such adjustments as shall be stated and expressed or provided for in the articles of incorporation, or in any amendment thereto, or in the resolution or resolutions providing for the issue of such stocks adopted by the board of directors as hereinabove provided. If any corporation shall be authorized to issue more than one class of stock or more than one series of any class, the designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class or series of stock. Before any corporation shall issue any shares of stock of any class or of any series of any class of which the voting powers, designations, preferences and relative participating, optional or other rights, if any, or the qualifications, limitations or restrictions thereof, if any, shall not have been set forth in the articles of incorporation or in any

Upon dissolution, rights of holders of preferred stocks.

Stocks exchangeable or convertible.

amendment thereto but shall be provided for in a resolution or resolutions adopted by the board of directors pursuant to authority expressly vested in it by the provisions of the articles of incorporation or any amendment thereto, a certificate setting forth a copy of such resolution or resolutions and the number of shares of stock of such class or series shall be made under the seal of the corporation and signed by the president or a vice-president and by the secretary or an assistant secretary of the corporation and acknowledged by such president or vice-president before an officer authorized by the laws of the Territory of Alaska to take acknowledgements of deeds and shall be filed and a copy thereof shall be recorded in the same manner as articles of incorporation are required to be filed and recorded by the provisions of Section 2 of this Act. Unless otherwise provided in any such resolution or resolutions, the number of shares of stock of any such class or series so set forth in such resolution or resolutions may be increased or decreased (but not below the number of shares thereof then outstanding) by a certificate likewise made, signed, filed and recorded setting forth a statement that a specified increase or decrease therein had been authorized and directed by a resolution or resolutions likewise adopted by the board of directors; and in case the number of such shares shall be so decreased, the number of shares so specified in said certificate shall resume the status which they had prior to the adoption of the first resolution or resolutions.

Certificate, setting forth number of shares, to be filed.

Number of shares may be increased and new certificate filed.

Section 6. Subscriptions to, or the purchase price of, the capital stock of any corporation organized or to be organized under the laws of the Territory of Alaska may be paid for, wholly or partly, by cash, by labor done, or personal property, or by real property or leases thereof, and the stock so issued shall be declared and taken to be full paid stock and not liable to any further call, nor shall the holder thereof be liable to any further payments under the provisions of this Act. And in the absence of actual fraud in the transaction, the judgment

Purchase price may be paid, how—

Judgment of board of directors to be final in determining value to be paid for stock.

of the directors, as to the value of such labor, property, real estate or leases thereof, shall be conclusive. Shares of capital stock, whether common or preferred or special, may be issued by the corporation from time to time for such consideration as may be fixed from time to time by the board of directors thereof, unless in the articles of incorporation the power to fix such consideration shall have been reserved to the stockholders, in which event such power shall be exercised by the stockholders by consent in writing or by vote of the holders of record of two-thirds of the total number of shares of each class of stock then outstanding and entitled to vote in respect thereto, said vote being given at a meeting called for the purpose in such manner as shall be prescribed by the by-laws; provided that, although such power has been reserved to the stockholders, the directors shall nevertheless have power to fix such consideration for the first issue of stock, and such issue shall not exceed ten per centum of the whole amount of such stock authorized by the articles of incorporation. Any and all shares so issued for which the consideration so fixed has been paid or delivered shall be deemed full paid stock and shall not be liable to any further call or assessments thereon, and the holders of such shares shall not be liable for any further payments in respect of such shares under the provisions of this Act.

Issuing shares
of stock.

Proviso.

Shares without
par value.

In any case in which the law requires that the par value of the shares of the capital stock of a corporation be stated in any certificate or paper, it shall be stated in respect of any shares without par value that such shares are without par value; and wherever the amount of the authorized or issued capital stock of the corporation is required to be stated and the corporation shall have any shares without par value, it shall be sufficient to state the total number of shares authorized or issued, as the case may be, the number and par value of shares having a par value and the number of shares without par value.

Any corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of the certificates issued to represent any such partly paid shares the total amount of the consideration to be paid therefor and the amount paid thereon shall be specified. The corporation may declare and pay dividends upon any such shares upon the basis of the percentage of the consideration actually paid thereon.

Partly paid shares.

Subject to any provision in respect thereof set forth in the articles of incorporation every corporation shall have power to create and issue, whether or not in connection with the issue and sale of any shares of stock or other securities of the corporation, rights or options entitling the holders thereof to purchase from the corporation any shares of its capital stock of any class or classes, such rights or options to be evidenced by or in such instrument or instruments as shall be approved by the board of directors. The terms upon which, the time or times, which may be limited or unlimited in duration, at or within which, and the price or prices at which any such shares may be purchased from the corporation upon the exercise of any such right or option shall be such as shall be fixed and stated in the articles of incorporation or in any amendment thereto, or in a resolution or resolutions adopted by the board of directors providing for the creation and issue of such rights or options, and, in every case, set forth or incorporated by reference in the instrument or instruments evidencing such rights or options.

Options approved by board of directors.

Terms.

Section 7. Subscriptions to the capital stock of a corporation shall be paid at such times and in such installments as the by-laws may provide unless otherwise provided by this Act. If default shall be made in the payment of any installment as thereby required the board of directors may declare the stock and all previous payments made thereon forfeited for the use of the cor-

Subscriptions and payment of same.

In case of default.

poration, after the expiration of sixty days from the service on the defaulting stockholder, personally or by registered mail directed to him at his last known post office address, or a written notice requiring him to make payment within sixty days from the service of the notice at a place specified therein and stating that, in case of failure to do so, his stock and all previous payments made thereon shall be forfeited for the use of the corporation.

Forfeited
stock, disposal.

Such stock, if forfeited, may be reissued or subscriptions therefor may be taken as in the case of stock not issued or subscribed for.

Redemption.

Section 8. Whenever any corporation shall have issued any preferred or special shares it may, subject to the provisions of its articles of incorporation redeem such shares, if subject to redemption, at such time or times, at such price or prices, and otherwise, as shall be stated or expressed in its articles of incorporation, but no redemption shall be made out of capital unless the assets of the corporation remaining after such redemption shall be sufficient to pay any debts of the corporation, the payment of which shall not have been otherwise provided for. The shares so redeemed by the application of capital and any shares of the corporation surrendered to it on the conversion or exchange thereof into or for other shares of the corporation, pursuant to the articles of incorporation shall have the status of authorized and unissued shares of the class of stock to which such shares belong; provided however that if the articles of incorporation prohibit the reissue of such shares, the authorized capital stock of the corporation of the class to which such shares belong shall, upon such redemption, conversion or exchange, be deemed to be, and shall be, reduced to the extent of the aggregate par value of the shares so redeemed, converted or exchanged; or, if such shares are without par value, to the extent of the total number of such shares.

Proviso.

Whenever any capital of the corporation is applied to the redemption of shares pursuant to the provisions of this section a certificate shall be made accordingly under the seal of the corporation and the hands of its president or vice-president and its secretary or assistant secretary and the president or vice-president shall acknowledge such certificate before any officer authorized to take acknowledgements under the laws of the Territory of Alaska, and said certificate, so executed and acknowledged, shall be filed and a copy thereof shall be recorded in the same manner as the articles of incorporation are required to be filed and recorded; and thereupon the capital of the corporation shall be deemed to be, and shall thereby be, reduced by the amount so applied; if the shares so redeemed or surrendered on conversion or exchange constitute all the outstanding shares of any particular class of stock and cannot be reissued, the board of directors shall have power by the certificate so filed and recorded to amend the articles of incorporation so as to eliminate all reference to the shares so redeemed or surrendered or exchanged and on the filing and recording of such certificate the articles of incorporation shall be deemed to be amended accordingly.

Certificate of redemption.

Nothing contained in this section shall in any way affect the rights of any corporation to redeem or purchase any of its shares from surplus and to hold such shares or to resell them for such consideration as shall be fixed from time to time by the board of directors.

Shares may be redeemed from surplus.

Section 9. The first meeting of the stockholders shall be called by the board of directors named in the articles of incorporation, upon not less than thirty days prior personal notice to each of the stockholders as prescribed in the following section.

First meeting of stockholders.

Section 10. Stockholders' meetings shall be held annually, at the principal corporate office of the corporation, which may be within or outside of the Territory of Alaska, and notice thereof must be delivered personally,

Annual stockholders' meetings.

or be deposited in the post office addressed to each stockholder, at the address last given by him to the corporation, at least thirty (30) days prior to such meeting. At least thirty days before such meeting a complete list of the stockholders entitled to vote shall be open to inspection at the place of such meeting.

Voting.

Section 11. Each stockholder shall at every stockholders' meeting be entitled to one vote in person or by proxy for each share of capital stock having voting power held by him. The stockholders shall have the right of cumulative voting in the election of officers or directors.

Capital stock held by corporation not to be voted.

Section 12. Shares of the capital stock of the corporation belonging legally or equitably to the corporation shall not be voted, either directly or indirectly.

Liability of stockholders.

Section 13. Every holder of the capital stock of a corporation shall be personally liable to the creditors of the corporation to an amount equal to the amount unpaid on such stock.

When action against will lie.

Section 14. Except in case of insolvency or bankruptcy proceedings, no action shall be brought against a stockholder for any debt of the corporation, until judgment has been recovered against the corporation and an execution returned unsatisfied in whole or in part.

Board of Directors.

Section 15. The business of every corporation organized under this act shall be managed by a board of not less than three directors, at least one of whom shall be an actual resident of the Territory of Alaska, who shall be elected at the first meeting of stockholders, and annually thereafter, and shall hold office until their successors are respectively chosen, and who shall, before entering upon the duties of their office, severally take and subscribe an oath to perform faithfully their duties as such directors. Whenever any vacancy shall happen among the directors by death, resignation or otherwise, except by removal and the election of a successor, it shall be filled by appointment of the board of directors

Vacancy.

for the unexpired term of such vacancy. Directors shall be and remain stockholders of the corporation, except that an officer or other duly authorized representative of another corporation which owns stock and has a right to vote thereon may be a director.

Section 16. The directors shall appoint from their number a president, and shall also appoint a secretary and a treasurer and may appoint other officers, agents and employees, who shall respectively have such powers and perform such duties as may be prescribed in the by-laws. Officers.

Section 17. If any corporation organized under this Act shall declare any dividends or make other distribution of assets other than from net profits, or if a reduction of capital be made under the guise of a loan to stockholders, or if any report or statement or public notice shall not be made as required by law, or if made, shall be false in any material representation, the directors of such corporation assenting thereto shall be jointly and severally liable to the creditors of the corporation for any loss or damage arising therefrom, and in case of reports, statement and public notices required by law, the officers shall be jointly and severally liable with the directors as provided above. Nothing herein however, shall be construed to prevent the distribution of stock dividends in lieu of cash dividends, but only from and to the extent of an actual surplus of assets, and in excess of the unimpaired capital stock outstanding before such stock dividends are distributed. Liability of Directors.

Stock Dividends.

Section 18. The district court of the Territory of Alaska shall have jurisdiction over the directors, managers, trustees, and other officers of a corporation organized under this Act, and of any foreign corporation admitted to do business in this Territory: Power of District Court over corporation.

I. To compel such directors, managers, trustees and other officers to account for their official conduct in the management and disposition of the funds, property and business committed to their charge.

II. To order, decree and compel payment by them to the corporation which they represent, and to its creditors of all sums of money and all the value of all property which they may have acquired by themselves, or transferred to others, or may have lost or wasted by any violation of duty or abuse of power, by such directors, managers, trustees or other officers of such corporation.

III. To suspend any director, trustee, manager or other officer from exercising his office whenever it shall appear that he has abused his trust.

IV. To remove any such director, trustee, or other officer upon proof or conviction of gross misconduct.

V. To direct, if necessary, new elections to be held by the stockholders to fill any vacancy created by such removal, and at such election no person so removed or suspended shall be eligible as a director, trustee or other officer of such corporation.

VI. To restrain and prevent any alienation of property of the corporation by said directors, trustees or other officers in cases where it may be threatened, or there is good reason to apprehend that it is intended to be made in fraud of the rights and interests of such corporation or its creditors.

Who may enforce provisions of Sec. 18.

Section 19. An action may be brought, as prescribed in Section 18 by the district attorneys of the several judicial divisions of the Territory, or by the Attorney General of the Territory of Alaska, in behalf of the people of the Territory, or except where the action is brought for the purpose specified in subdivision III, IV, or V, of said Section 18, by a creditor or stockholder of the corporation, or by a trustee, director, manager, or other officer of the corporation, having a general superintendence of its concerns.

By-Laws.

Section 20. The stockholders of any corporation formed under this Act shall have the power to make such by-laws as they deem proper for the management

of the affairs of the corporation, not inconsistent with the provisions of this Act, or of other existing laws. provided, however, the articles of incorporation may vest in the board of directors of any corporation formed under this Act, the authority to make, and to adopt by-laws, subject, however, to the right of the stockholders having voting power to amend, repeal, alter or modify such by-laws, so made and adopted by such board of directors, at any regular meeting or at any special meeting called for such purpose.

Section 21. Every corporation formed under this Act shall have at its office within the Territory, in the custody of its proper officer, correct books of account of its business transactions which, or a full transcript thereof, shall be produced at said place of business within five days on the demand of any stockholder for inspection, and also a stock book which shall be open daily for inspection at reasonable times to any of its stockholders, containing an alphabetical list of the stockholders of the corporation, showing their places of residence, the number of shares held by them respectively, the dates when they respectively became owners thereof, and the amounts paid thereon. The officer of the corporation to whose custody, under the by-laws, the book or books in question are committed, or in the absence of express provision of the by-laws committing the custody of such books to any specific officer, then the president of the corporation shall pay a penalty of fifty (\$50) dollars for every day he shall neglect to keep such books and shall fail to permit the inspection thereof as in this section provided, and such penalty shall be recovered in an action by an aggrieved stockholder.

Records and
inspection
thereof.

Section 22. Every corporation organized under this Act may, at a meeting of stockholders duly called for the purpose, by a vote of two-thirds of all its stock having voting power, amend its articles of incorporation in any manner conformable to the provisions of

Amendments
of Articles,
how made.

this Act, including the increase or decrease of capital stock.

The amended articles of incorporation shall be executed and acknowledged by the board of directors, or a majority of them, and shall be filed and recorded in the same place and manner as the original articles of incorporation.

Annual report required.

Section 23. Every corporation* formed under this Act, shall, annually, within sixty days after the annual meeting of stockholders, file with the Auditor of the Territory of Alaska a report made and verified by the president and the treasurer and shall keep a copy thereof at its main office for inspection of stockholders, which shall state:

Contents.

I. The amount of its capital stock and the amount actually issued.

II. The amount of its debts.

III. The amount of its assets.

IV. The names and addresses of all the directors and officers of the corporation.

Penalty for failure to report.

If any report be not made and filed as prescribed in this Section, either of such officers who shall thereafter neglect to make and file such report within ten days after a written request to do so shall have been made by a creditor or a stockholder of the corporation, shall be under penalty of fifty (\$50.00) dollars recoverable by such aggrieved creditor or stockholder, for every day he shall so neglect or refuse.

Dissolution at instance of Directors.

Section 24. I. Whenever in the judgment of the board of directors of any corporation formed under this Act, or under any other law of the Territory of Alaska, it shall be deemed advisable and beneficial that such corporation should be dissolved, the board, within twenty days after the adoption of a resolution to that effect by a majority of the whole board at any meeting called

for that purpose, of which meeting every director shall have received at least three days' notice, shall cause notice of the adoption of such resolution to be mailed to each stockholder, and also beginning with said twenty days cause a like notice to be published in a newspaper of general circulation published nearest to the place wherein the corporation shall have its principal place of business, at least four weeks successively, once a week, next preceding the time appointed for the same, of a meeting of the stockholders to be held at the office of the corporation, to take action upon the resolution so adopted by the board of directors, which meeting shall be held between the hours of ten o'clock in the forenoon and three o'clock in the afternoon of the day so named, and which meeting may, on the day so appointed by consent of a majority in interest of the stockholders present, be adjourned from time to time. If at any such meeting two-thirds in interest of all the stockholders shall consent that a dissolution shall take place and signify their consent in writing, such consent, together with a list of the names and residences of the directors and officers, certified by the president and secretary or treasurer, shall be filed in the office of the Auditor of the Territory, who, upon being satisfied by due proof that the requirements aforesaid have been complied with, shall issue a certificate that such consent has been filed, and the board of directors shall cause such certificate to be published four weeks successively, at least once a week, in a newspaper of general circulation published nearest to the place wherein the corporation shall have its principal place of business. Upon the filing in the office of the Auditor of the Territory of an affidavit that said certificate has been so published, the corporation shall be dissolved and the board shall proceed to settle up and adjust its business and its affairs; whenever all the stockholders shall consent in writing to a dissolution, no meeting or notice thereof shall be necessary, but on filing such consent in the office of the Auditor of the Territory, he shall

Publication of
dissolution.

Certificate of
dissolution.

forthwith issue a certificate of dissolution, which shall be published as above provided.

Dissolution at instance of stockholders.

II. A corporation organized and doing business under this Act which desires to close its affairs may also, unless otherwise provided in the articles of incorporation, by the vote of two-thirds in interest of all its issued and outstanding stock entitled to vote, authorize a petition for its dissolution, to be filed in any court of competent jurisdiction, setting forth in substance the grounds of the application, and the court, after notice to parties interested and a hearing, may decree a dissolution of the corporation.

Who may bring action for dissolution.

Section 25. An action for any one or more of the following causes, to procure a judgment dissolving a corporation created by or under this Act, and forfeiting its corporate rights and franchises, or its licenes to do business within the Territory, if it be a foreign corporation, may be maintained by any district attorney, or by the Attorney General of Alaska in the name and in behalf of the people, or by a creditor or stockholder upon proof to the court that such district attorney or Attorney General of Alaska omits for thirty days after the submission of a verified statement of facts to maintain such action.

For what causes.

I. Where the corporation is insolvent, as evidenced by a return of no property found on execution, or by a judgment or decree in insolvency proceedings.

II. Where it has suspended its ordinary and lawful business for at least one year.

III. Where it is a party to an illegal combination in restraint of trade.

IV. Where the law imposes the penalty of dissolution.

Section 26.

Corporation held dissolved, when.

I. A corporation dissolved under this Act shall be held to be extinct in all respects as if its corporate existence had expired by the limitation of its charter.

II. All corporations, whether they expire by their own limitation or are otherwise dissolved, shall be continued bodies corporate for the purpose of prosecuting and defending suits by or against them, and of enabling them to settle and close their affairs, to dispose of and convey their property and to divide their capital, but not for the purpose of continuing the business for which they were established.

Dissolved corporation to continue body corporate, when.

III. Upon the dissolution in any manner of any corporation the directors shall be trustees thereof, with full power to settle the affairs, collect the outstanding debts, sell and convey the property and divide the moneys and other property among the stockholders, after paying its debts, as far as such moneys and property shall enable them; they shall have power to meet and act under the by-laws of the corporation and, under regulations to be made by a majority of said trustees, to prescribe the terms and conditions of sale of such property, and may sell all or any part for cash, or partly on credit, or take mortgages and bonds for part of the purchase price for all or any part of said property.

Winding up affairs of corporation.

IV. The directors, constituted trustees as aforesaid, shall have authority, to sue for and recover the aforesaid debts and property, in the name of the corporation, and shall be suable in the same name, or in their own names or individual capacities for the debts owing by such corporation, and shall be jointly and severally responsible for such debts, to the amount of the moneys and property of the corporation which shall come to their hands or possession as such trustees.

V. When any corporation shall be dissolved in any manner whatever, the district court for the Territory of Alaska, on application of any creditor or stockholder at any time, may either continue the directors trustees as aforesaid, or appoint one or more persons to be receivers of such corporation to take charge of the estate and effects thereof and to collect the debts and property due and belonging to the corporation, with power to

prosecute and defend, in the name of the corporation or otherwise, all suits necessary or proper for the purposes aforesaid, and to appoint an agent or agents under them, and to do all other acts which might be done by such corporation, if in being, that may be necessary for the final settlement of its unfinished business; and the powers of such trustees or receivers may be continued as long as the court shall think necessary for such purposes.

Insolvent corporations.

Section 27. Whenever any corporation shall have become insolvent or shall suspend its ordinary business for want of funds to carry on the same, any creditor or stockholder may by petition or bill of complaint setting forth the facts and circumstances of the case, apply to the district court for the Territory of Alaska for a writ of injunction and the appointment of a receiver or receivers or trustees, and the court being satisfied by affidavit or otherwise of the sufficiency of said application, and of the truth of the allegations contained in the petition or bill, and upon such notice, if any, as the court by order may direct, may proceed in a summary way to hear the affidavits, proofs and allegations, which may be offered on behalf of the parties, and if upon such inquiry it shall appear to the court that the corporation has become insolvent and is not about to resume its business in a short time thereafter with safety to the public and advantage to the stockholders, it may issue an injunction to restrain the corporation and its officers and agents from exercising any of its privileges or franchises and from collecting or receiving any debts. or paying out, selling, assigning or transferring any of its estate, moneys, funds, lands, tenements or effects, except to a receiver appointed by the court, until the court shall order otherwise.

Application for Receiver.

Injunction.

Appointment of Receiver.

Section 28. Such court, at the time of ordering said injunction, or at any time afterwards, may appoint a receiver or receivers or trustees for the creditors and stockholders of the corporation, with full power and

authority to demand, sue for, collect, receive and take into their possession all the goods and chattels, rights and credits, moneys and effects, lands and tenements, books, papers, choses in action, bills, notes and property of every description of the corporation, and to institute suits at law or in equity for the recovery of any estate, property, damages or demands existing in favor of the corporation, and in his or their discretion to compound and settle with any debtor or creditor of the corporation, or with persons having possession of its property or in any way responsible at law or in equity to the corporation at the time of its insolvency or suspension of business, or afterwards, upon such terms and in such manner as he or they shall deem just and beneficial to the corporation, and in case of mutual dealings between the corporation and any person to allow just set-offs in favor of such person in all cases in which the same ought to be allowed according to law and equity. A debtor who shall have in good faith paid his debt to the corporation without notice of its insolvency or suspension of business shall not be liable therefor and the receiver or receivers or trustees shall have power to sell, convey and assign all the said estate, rights and interests, and shall hold and dispose of the proceeds thereof under the directions of the court. The word receiver as used in this Act shall be construed to include receivers and trustees appointed as provided in this Act.

Powers of Receiver.

Receiver defined.

Section 29. Every receiver shall before acting enter into such bond and comply with such terms as the court may prescribe, and take and subscribe the oath prescribed for receivers in other cases, which oath shall be filed in the office of the clerk of the court within ten days after the taking thereof.

Oath of Receiver.

Section 30. All real and personal property of an insolvent corporation wheresoever situated, and all its franchises, rights, privileges and effects, shall upon the appointment of a receiver, forthwith vest in him, and the corporation shall be divested of the title thereto.

Title to property to vest in Receiver.

Dissolution of
Receivership.

Section 31. Whenever a receiver shall have been appointed as aforesaid and it shall afterwards appear that the debts of the corporation have been paid or provided for, and that there remains or can be obtained by further contribution sufficient capital to enable it to resume its business, the court may, in its discretion, direct the receiver to reconvey to the corporation all its property, franchises, rights and effects, and thereafter the corporation may resume control of and enjoy the same as if the receiver had never been appointed.

Corporation
may sell, lease,
exchange its
property, how.

Section 32. Every corporation organized under the provisions of this Act may at any meeting of its board of directors sell, lease or exchange all of its property and assets, including its good will and its corporate franchises, upon such terms and conditions and for such consideration, which may be in whole or in part shares of stock in, and/or other securities of, any other corporation or corporations, as its board of directors shall deem expedient and for the best interests of the corporation, when and as authorized by the affirmative vote of the holders of two thirds of the stock issued and outstanding having voting power given at a stockholders' meeting duly called for that purpose, or when authorized by the written consent of the holders of two thirds of the voting stock issued and outstanding, provided, however, that the articles of incorporation may require the vote or written consent of the holders of a larger proportion of the stock issued and outstanding.

Payment of
fees and taxes.

Section 33. Every corporation formed under this Act shall pay such fees, licenses and taxes as are now in force or may hereafter be prescribed for domestic corporations in the Territory of Alaska.

Section 34. This Act shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of business corporations in the Territory of Alaska.

Section 35. In this Act, unless the contrary intention appear, the "capital stock" of the corporation is the aggregate amount of the funds to be combined for the doing of business under the articles of incorporation. Definition of terms.

The privilege of "cumulative voting" shall mean that each stockholder shall be entitled to as many votes as shall equal the number of his shares of stock multiplied by the number of directors to be elected, and he may cast all of such votes for one director or may distribute them among any two or more of them as he may see fit.

The words "any lawful business purpose or purposes" shall be held and be construed to include the purposes enumerated in Section 9 of the Act of Congress, entitled, "An Act to create a legislative assembly in the Territory of Alaska, to confer legislative powers thereon, and for other purposes," approved August 24, 1912, except however, as otherwise provided in this Act; and provide further, the authority to form corporations under this Act shall not extend to and include such corporations as may have been and hereafter may be formed under the provisions of Chapter 12 of the Session Laws of Alaska of 1913.

A "creditor" of a corporation is one who has a right by law to demand either presently, or upon some future contingency, the fulfillment of any obligation or contract.

A "domestic corporation" is one formed under the laws of this Territory. Every other corporation is a "foreign corporation."

An "incorporator" is one of the subscribers of the articles of incorporation and to the capital stock.

"Share of stock" is the right which the owner has in the management, profits and ultimate assets of the corporation.

A "stockholder" is the owner of a share or shares of the capital stock.

Benefits of
this Act.

Section 36. The provisions of this Act, where applicable, shall apply to and govern all domestic corporations organized prior to the date when this Act shall go into effect. Every such corporation shall, by the execution and filing of amended articles of incorporation and by amendment of its by-laws, where necessary, in conformity with the provisions hereof, be entitled to all of the benefits of this Act.

Repeal.

Section 37. Chapter 73 of the Session Laws of Alaska of 1923 and Chapter 43 of the Session Laws of Alaska of 1929 are hereby repealed, but this repeal shall not affect any rights acquired or penalties incurred under the provisions of said Acts, nor bar any action arising thereunder, prior to the date when this Act shall go into effect.

Emergency.

Section 38. An emergency is hereby declared to exist and this Act shall be in full force and effect from and after its passage and approval.

Approved April 3, 1931.

CHAPTER 9.

AN ACT

[S. B. 15]

To amend Chapter 101 Session Laws of Alaska 1929 relative to Boards of Children's Guardians, by adding a new section, to be numbered Section 6, prescribing fees of Commissioners and witnesses.

Be it enacted by the Legislature of the Territory of Alaska:

Amending
Chap. 101,
S.L.A. 1929.

That Chapter 101 Session Laws of Alaska, 1929, be amended by adding thereto a new section, to read as follows:

Fees of
witnesses,
how paid.

Section 6. In proceedings had under the provisions of this Act, the Commissioners and witnesses shall re-