

## CHAPTER 126

## AN ACT

To revise the general laws of business corporations of Alaska; repealing Sections 36-1-1 through 36-1-148, ACLA 1949, as amended by Chapters 3, 77, and 85, SLA 1953; Sections 36-2-1 through 36-2-6, ACLA 1949, as amended by Chapters 130 and 192, SLA 1955; Sections 36-6-1 through 36-6-3, ACLA 1949, and Sections 36-6-5 through 36-6-14, ACLA 1949 as amended by Chapter 25, SLA 1951 and Sections 36-6-16 through 36-6-22, ACLA 1949.

(H. B. 93)

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

## Table of Sections

Section 1. Short Title.

Section 2. Definitions.

## Substantive Provisions

Section 3. Purposes.

Section 4. General Powers.

Section 5. Right of Corporation to Acquire and Dispose of its own Shares.

Section 6. Defense of Ultra Vires.

Section 7. Corporate Name.

Section 8. Reserved Name.

Section 9. Registered Name.

Section 10. Renewal of Registered Name.

Section 11. Registered Office and Registered Agent.

Section 12. Change of Registered office or Registered Agent.

Section 13. Service of Process on Corporation.

Section 14. Authorize Shares.

Section 15. Issuance of Shares of Preferred or Special Classes in Series.

Section 16. Subscription\$ for Shares.

Section 17. Consideration for Shares.

Section 18. Payment for Shares.

Section 19. Determination of Amount of Stated Capital.

Section 20. Expenses of Organi-

zation, Reorganization and Financing.

Section 21. Certificates Representing Shares.

Section 22. Issuance of Fractional Shares or Scrip.

Section 23. Liability of Subscribers and Shareholders.

Section 24. Shareholders' Pre-emptive Rights.

Section 25. By-Laws.

Section 26. Meetings of Shareholders.

Section 27. Notice of Shareholders' Meetings.

Section 28. Closing Transfer Books and Fixing Record Date.

Section 29. Voting List.

Section 30. Quorum of Shareholders.

Section 31. Voting of Shares.

Section 32. Voting Trust.

Section 33. Board of Directors.

Section 34. Number and Election of Directors.

Section 35. Classification of Directors.

Section 36. Vacancies.

Section 37. Quorum of Directors.

Section 38. Executive Committee.

Section 39. Place and Notice of Directors' Meetings.

Section 40. Dividends.

Section 41. Distributions in Partial Liquidation.

Section 42. Loans.

Section 43. Liability of Directors in Certain Cases.

Section 44. Officers.

Section 45. Removal of Officers.

Section 46. Books and Records.

#### **Formation of Corporations**

Section 47. Incorporators.

Section 48. Articles of Incorporation.

Section 49. Filing of Articles of Incorporation.

Section 50. Effect of Issuance of Certificate of Incorporation.

Section 51. Requirement Before Commencing Business.

Section 52. Organization Meeting of Directors.

#### **Amendment**

Section 53. Right to Amend Articles of Incorporation.

Section 54. Procedure to Amend Articles of Incorporation.

Section 55. Class Voting on Amendments.

Section 56. Articles of Amendment.

Section 57. Filing of Articles of Amendment.

Section 58. Effect of Certificate of Amendment.

Section 59. Restated Articles of Incorporation.

Section 60. Restriction on Redemption or Purchase of Redeemable Shares.

Section 61. Cancellation of Redeemable Shares by Redemption or Purchase.

Section 62. Cancellation of Other Reacquired Shares.

Section 63. Reduction of Stated Capital in Certain Cases.

Section 64. Special Provisions Relating to Surplus and Reserves.

#### **Merger and Consolidation**

Section 65. Procedure for Merger.

Section 66. Procedure for Consolidation.

Section 67. Approval by Shareholders.

Section 68. Articles of Merger or Consolidation.

Section 69. Effect of Merger or Consolidation.

Section 70. Merger or Consolidation of Domestic and Foreign Corporations.

Section 71. Rights of Dissenting Shareholders in Mergers or Consolidations.

#### **Sale of Assets**

Section 72. Sale or Mortgage of Assets in Regular Course of Business.

Section 73. Sale or Mortgage of Assets other than in Regular Course of Business.

Section 74. Rights of Dissenting Shareholders upon Sale or Exchange of Assets.

#### **Dissolution**

Section 75. Voluntary Dissolution by Incorporators.

Section 76. Voluntary Dissolution by Consent of Shareholders.

Section 77. Voluntary Dissolution by Act of Corporation.

Section 78. Filing of Statement of Intent to Dissolve.

Section 79. Effect of Statement of Intent to Dissolve.

Section 80. Procedure after Filing of Statement of Intent to Dissolve.

Section 81. Revocation of Voluntary Dissolution Proceedings by Consent of Shareholders.

Section 82. Revocation of Voluntary Dissolution Proceedings by Act of Corporation.

Section 83. Filing of Statement of Revocation of Voluntary Dissolution Proceedings.

Section 84. Effect of Statement of Revocation of Voluntary Dissolution Proceedings.

Section 85. Articles of Dissolution.

Section 86. Filing of Articles of Dissolution.

Section 87. Involuntary Dissolution.

Section 88. Notification to Attorney General.

Section 89. Venue and Process.

Section 90. Jurisdiction of Court to Liquidate Assets and Business of Corporation.

Section 91. Procedure in Liquidation of Corporation by Court.

Section 92. Qualifications of Receivers.

Section 93. Filing of Claims in Liquidation Proceedings.

Section 94. Discontinuance of Liquidation Proceedings.

Section 95. Decree of Involuntary Dissolution.

Section 96. Filing of Decree of Dissolution.

Section 97. Deposit with State Treasurer of Amount due Certain Shareholders.

Section 98. Survival of Remedy after Dissolution.

#### **Foreign Corporations**

Section 99. Admission of Foreign Corporation.

Section 100. Powers of Foreign Corporation.

Section 101. Corporate Name of Foreign Corporation.

Section 102. Change of Name by Foreign Corporation.

Section 103. Application for Certificate of Authority.

Section 104. Filing of Application for Certificate of Authority.

Section 105. Effect of Certificate of Authority.

Section 106. Registered Office and Registered Agent of Foreign Corporation.

Section 107. Change of Registered Office or Registered Agent of Foreign Corporation.

Section 108. Service of Process on Foreign Corporation.

Section 109. Amendment to Articles of Incorporation of Foreign Corporation.

Section 110. Merger of Foreign Corporation Authorized to Transact Business in Alaska.

Section 111. Amended Certificate of Authority.

Section 112. Withdrawal of Foreign Corporation.

Section 113. Filing of Application for Withdrawal.

Section 114. Revocation of Certificate of Authority.

Section 115. Issuance of Certificate of Revocation.

Section 116. Application to Corporations Heretofore Authorized to Transact Business in Alaska.

Section 117. Transacting Business Without Certificate of Authority.

#### **Annual Reports**

Section 118. Annual Report of Domestic and Foreign Corporations.

Section 119. Filing of Annual Report of Domestic and Foreign Corporations.

#### **Fees and Charges**

Section 120. Incorporation or Filing Fees.

Section 121. Fees on Filing Amendatory Articles or Certificates Changing Capital Stock.

Section 122. Fees on Appointment or Revocation of Appointment of Process Agent.

Section 123. Annual Corporation Tax: Penalty for Nonpayment.

Section 124. Failure to Pay Tax or Make Report as Precluding Suit by Corporation: Evidence of Payment: Enforcement of payment.

Section 125. Failure to Pay Tax as Evidence of Insolvency.

Section 126. Striking from Record Name of Corporation Failing to Pay Tax.

Section 127. Reinstatement of Corporation.

Section 128. Taxes and Penalties Payable on: Record Notation of.

Section 129. Effect on Rights and Powers of Corporation.

Section 130. Dissolution for Nonpayment of Tax and Failure to Apply for Reinstatement.

Section 131. Adoption by Other Corporation of Name of Dissolved Corporation.

Section 132. Filing Fees for Instruments not Otherwise Provided for.

Section 133. Fees and Penalties payable on Withdrawal of Foreign Corporation.

Section 134. Fees on Dissolution of Domestic Corporation.

Section 135. Taxes, Penalties and Fees on Filing Certificate of Dissolution of Foreign Corporation.

Section 136. Fee for Filing Annual Report.

Section 137. Payments to be made in Advance.

Section 138. Accounting for and Disposition of Taxes and Fees Paid.

#### Penalties

Section 139. Penalties Imposed upon Corporations.

Section 140. Penalties Imposed upon Officers and Directors.

#### Miscellaneous Provisions

Section 141. Interrogatories by Director of Finance.

Section 142. Information Disclosed by Interrogatories.

Section 143. Powers of Director of Finance.

Section 144. Appeal from Director of Finance.

Section 145. Certificates and Certified Copies to be Received in Evidence.

Section 146. Forms to be Furnished by Director of Finance.

Section 147. Greater Voting Requirements.

Section 148. Waiver of Notice.

Section 149. Action by Shareholders Without a Meeting.

Section 150. Unauthorized Assumption of Corporate Powers.

Section 151. Application to Existing Corporations.

Section 152. Application to Foreign and Interstate Commerce.

Section 153. Reservation of Power.

Section 154. Effect of Repeal of Prior Acts.

Section 155. Effect of Invalidity of Part of this Act.

Section 156. Repeal of Prior Acts.

Section 157. Effective Date.

Section 1. **Short Title.** This Act shall be known and may be cited as the "Alaska Business Corporation Act."

Sec. 2. **Definitions.** As used in this Act, unless the context otherwise requires, the term:

(a) "Corporation" or "domestic corporation" means a corporation for profit subject to the provisions of this Act, except a foreign corporation.

(b) "Foreign corporation" means a corporation for profit organized under laws other than the laws of Alaska for a purpose or purposes for which a corporation may be organized under this Act.

(c) "Articles of incorporation" means the original or restated articles of incorporation and all amendments thereto and includes articles of merger.

(d) "Shares" means the units into which the proprietary interests in a corporation are divided.

(e) "Subscriber" means one who

subscribes for shares in a corporation, whether before or after incorporation.

(f) "Shareholder" means one who is a holder of record of shares in a corporation.

(g) "Authorized shares" means the shares of all classes which the corporation is authorized to issue.

(h) "Treasury shares" mean shares of a corporation which have been issued, have been subsequently acquired by and belong to the corporation, and have not, either by reason of the acquisition or thereafter, been cancelled or restored to the status of authorized but unissued shares. Treasury shares shall be deemed to be "issued" shares, but not "outstanding" shares.

(i) "Net assets" means the amount by which the total assets of a corporation, excluding treasury shares, exceed the total debts of the corporation.

(j) "Stated capital" means, at any particular time, the sum of (1) the par value of all shares of the corporation having a par value that have been issued, (2) the amount of the consideration received by the corporation for all shares of the corporation without par value that have been issued, except such part of the consideration therefor as may have been allocated to capital surplus in a manner permitted by law, and (3) such amounts not included in clauses (1) and (2) of this paragraph as have been transferred to stated capital of the corporation, whether upon the issue of shares as a share dividend or otherwise, minus all reductions from such sum as have been effected in a manner permitted by law. Irrespective of the manner of designation thereof by the laws under which a foreign

corporation is organized, the stated capital of a foreign corporation shall be determined on the same basis and in the same manner as the stated capital of a domestic corporation, for the purpose of computing fees, franchise taxes and other charges imposed by this Act.

(k) "Surplus" means the excess of the net assets of a corporation over its stated capital.

(l) "Earned surplus" means the portion of the surplus of a corporation equal to the balance of its net profits, income, gains and losses from the date of incorporation, or from the latest date when a deficit was eliminated by an application of its capital surplus or stated capital or otherwise, after deducting subsequent distributions to shareholders and transfers to stated capital and capital surplus to the extent such distributions and transfers are made out of earned surplus.

(m) "Capital surplus" means the entire surplus of a corporation other than its earned surplus.

(n) "Insolvent" means inability of a corporation to pay its debts as they become due in the usual course of its business.

**Sec. 3. Purposes.** Corporations may be organized under this Act for any lawful purpose or purposes, except for the purpose of banking or insurance.

**Sec. 4. General Powers.** Each corporation shall have power:

(a) To have perpetual succession by its corporate name unless a limited period of duration is stated in its articles of incorporation.

(b) To sue and be sued, complain and defend, in its corporate name.

(c) To have a corporate seal

which may be altered at pleasure, and to use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced.

(d) To purchase, take, receive, lease, or otherwise acquire, own, hold, improve, use and otherwise deal in and with, real or personal property, or any interest therein, wherever situated.

(e) To sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of its property and assets.

(f) To lend money to its employees other than its officers and directors, and otherwise assist its employees, officers and directors.

(g) To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligations of, other domestic or foreign corporations, associations, partnerships or individuals, or direct or indirect obligations of the United States or of any other government, state, territory, governmental district or municipality or of any instrumentality thereof.

(h) To make contracts and incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property, franchises and income.

(i) To lend money for its corporate purposes, invest and reinvest its funds, and take and hold real and personal property as security

for the payment of funds so loaned or invested.

(j) To conduct its business, carry on its operations, and have offices and exercise the powers granted by this Act in any state, territory, district, or possession of the United States, or in any foreign country.

(k) To elect or appoint officers and agents of the corporation, and define their duties and fix their compensation.

(l) To make and alter by-laws not inconsistent with its articles of incorporation or with the laws of Alaska, for the administration and regulation of the affairs of the corporation.

(m) To make donations for the public welfare or for charitable, scientific or educational purposes; and in time of war to make donations in aid of war activities.

(n) In time of war to transact any lawful business in aid of the United States in the prosecution of the war.

(o) To indemnify any director or officer or former director or officer of the corporation, or any person who may have served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor, against expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of being or having been such director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty; but such indemnification shall not be deemed exclusive of any other rights to

which such director or officer may be entitled, under any by-law, agreement, vote of shareholders, or otherwise.

(p) To pay pensions and establish pension plans, pension trusts, profit-sharing plans, stock bonus plans, and other incentive plans for its directors, officers and employees.

(q) To cease its corporate activities and surrender its corporate franchise.

(r) To have and exercise all of the powers of a limited or general partner or a joint adventurer in association with one or more persons, corporations, partnerships or associations.

(s) To have and exercise all lawful powers necessary to effect any or all of the purposes for which the corporation is organized.

**Sec. 5. Right of Corporation to Acquire and Dispose of Its Own Shares.** A corporation shall have the right to purchase, take, receive or otherwise acquire, hold, own, pledge, transfer or otherwise dispose of its own shares, but purchases of its own shares, whether direct or indirect, shall be made only to the extent of earned surplus available therefor, and, if the articles of incorporation so permit or with the affirmative vote of the holders of at least two-thirds of all shares entitled to vote thereon, to the extent of capital surplus available therefor, and subject to the following additional limitations:

(a) No purchase of its own shares shall be made at a time when the corporation is insolvent or when such purchase would render the corporation insolvent.

(b) To the extent that earned surplus or capital surplus is used

as the measure of the corporation's right to purchase its own shares, such surplus shall be restricted so long as such shares are held as treasury shares, and upon the disposition or cancellation of any such shares the restriction shall be removed pro tanto.

Notwithstanding the foregoing limitations, a corporation may purchase or otherwise acquire its own shares for the purpose of:

(1) Eliminating fractional shares.

(2) Collecting or compromising indebtedness to the corporation.

(3) Paying dissenting shareholders entitled to payment for their shares under the provisions of this Act.

(4) Effecting, subject to the other provisions of this Act, the retirement of its redeemable shares by redemption or by purchase at not to exceed the redemption price.

**Sec. 6. Defense of Ultra Vires.** No act of a corporation and no conveyance or transfer of real or personal property to or by a corporation shall be invalid by reason of the fact that the corporation was without capacity or power to do such act or to make or receive such conveyance or transfer, but such lack of capacity or power may be asserted:

(a) In a proceeding by a shareholder against the corporation to enjoin the doing of any act or acts or the transfer of real or personal property by or to the corporation. If the unauthorized acts or transfer sought to be enjoined are being, or are to be, performed or made pursuant to any contract to which the corporation is a

party, the court may, if all of the parties to the contract are parties to the proceeding and if it deems the same to be equitable, set aside and enjoin the performance of such contract, and in so doing may allow to the corporation or to the other parties to the contract, as the case may be, compensation for the loss or damage sustained by either of them which may result from the action of the court in setting aside and enjoining the performance of such contract, but anticipated profits to be derived from the performance of the contract shall not be awarded by the court as a loss or damage sustained.

(b) In a proceeding by the corporation, whether acting directly or through a receiver, trustee, or other legal representative, or through shareholders in a representative suit, against the incumbent or former officers or directors of the corporation.

(c) In a proceeding by the Attorney General, as provided in this Act, to dissolve the corporation, or in a proceeding by the Attorney General to enjoin the corporation from the transaction of unauthorized business.

**Sec. 7. Corporate Name.** The corporate name:

(a) Shall contain the word "corporation," "company," "incorporated" or "limited", or shall contain an abbreviation of one of such words.

(b) Shall not contain any word or phrase which indicates or implies that it is organized for any purpose other than one or more of the purposes contained in its articles of incorporation.

(c) Shall not be the same as, or

deceptively similar to, the name of any domestic corporation existing under the laws of Alaska or any foreign corporation authorized to transact business in Alaska, or a name the exclusive right to which is, at the time, reserved in the manner provided in this Act, or the name of a corporation which has in effect a registration of its corporate name as provided in this Act.

**Sec. 8. Reserved Name.** The exclusive right to the use of a corporate name may be reserved by:

(a) Any person intending to organize a corporation under this Act.

(b) Any domestic corporation intending to change its name.

(c) Any foreign corporation intending to make application for a certificate of authority to transact business in Alaska.

(d) Any foreign corporation authorized to transact business in Alaska and intending to change its name.

(e) Any person intending to organize a foreign corporation and intending to have such corporation make application for a certificate of authority to transact business in Alaska.

The reservation shall be made by filing with the Director of Finance an application to reserve a specified corporate name, executed by the applicant. If the Director of Finance finds that the name is available for corporate use, he shall reserve the same for the exclusive use of the applicant for a period of one hundred and twenty days.

The right to the exclusive use of a specified corporate name so reserved may be transferred to any other person or corporation by fil-

ing in the office of the Director of Finance a notice of such transfer, executed by the applicant for whom the name was reserved, and specifying the name and address of the transferee.

**Sec. 9. Registered Name.** Any corporation organized and existing under the laws of any state or territory of the United States may register its corporate name under this Act, provided its corporate name is not the same as, or deceptively similar to, the name of any domestic corporation existing under the laws of Alaska, or the name of any foreign corporation authorized to transact business in Alaska, or any corporate name reserved or registered under this Act.

Such registration shall be made by:

(a) Filing with the Director of Finance (1) an application for registration executed by the corporation by an officer thereof, setting forth the name of the corporation, the state or Territory under the laws of which it is incorporated, the date of its incorporation, a statement that it is carrying on or doing business, and a brief statement of the business in which it is engaged, and (2) a certificate setting forth that such corporation is in good standing under the laws of the state or territory wherein it is organized, executed by the Director of Finance of such state or territory or by such other official as may have custody of the records pertaining to corporations, and

(b) Paying to the Director of Finance a registration fee in the amount of two dollars for each month, or fraction thereof, between the date of filing such application and December 31st of the calendar

year in which such application is filed.

Such registration shall be effective until the close of the calendar year in which the application for registration is filed.

**Sec. 10. Renewal of Registered Name.** A corporation which has in effect a registration of its corporate name, may renew such registration from year to year by annually filing an application for renewal setting forth the facts required to be set forth in an original application for registration and a certificate of good standing as required for the original registration and by paying a fee of ten dollars. A renewal application may be filed between the first day of October and the thirty-first day of December in each year, and shall extend the registration for the following calendar year.

**Sec. 11. Registered Office and Registered Agent.** Each corporation shall have and continuously maintain in Alaska:

(a) A registered office which may be, but need not be, the same as its place of business.

(b) A registered agent, which agent may be either an individual resident in Alaska whose business office is identical with such registered office, or a domestic corporation, or a foreign corporation authorized to transact business in Alaska, having a business office identical with such registered office.

**Sec. 12. Change of Registered Office or Registered Agent.** A corporation may change its registered office or change its registered agent, or both, upon filing in the office of the Director of Finance a statement setting forth:

(a) The name of the corporation.

(b) The address of its then registered office.

(c) If the address of its registered office be changed, the address to which the registered office is to be changed.

(d) The name of its then registered agent.

(e) If its registered agent be changed, the name of its successor registered agent.

(f) That the address of its registered office and the address of the business office of its registered agent, as changed, will be identical.

(g) That such change was authorized by resolution duly adopted by its board of directors.

Such statement shall be executed by the corporation by its president or a vice-president, and verified by him, and delivered to the Director of Finance. If the Director of Finance finds that such statement conforms to the provisions of this Act, he shall file such statement in his office, and upon such filing the change of address of the registered office, or the appointment of a new registered agent, or both, as the case may be, shall become effective.

Any registered agent of a corporation may resign as such agent upon filing a written notice thereof, executed in duplicate, with the Director of Finance, who shall forthwith mail a copy thereof to the corporation at its registered office. The appointment of such agent shall terminate upon the expiration of thirty days after receipt of such notice by the Director of Finance.

**Sec. 13. Service of Process on Corporation.** The registered agent so appointed by a corporation shall be an agent of such corporation

upon whom any process, notice or demand required or permitted by law to be served upon the corporation may be served.

Whenever a corporation shall fail to appoint or maintain a registered agent in Alaska, or whenever its registered agent cannot with reasonable diligence be found at the registered office, then the Director of Finance shall be an agent of such corporation upon whom any such process, notice, or demand may be served. Service on the Director of Finance of any such process, notice, or demand shall be made by delivering to and leaving with him, or with any clerk having charge of the corporation department of his office, duplicate copies of such process, notice or demand. In the event any such process, notice or demand is served on the Director of Finance, he shall immediately cause one of the copies thereof to be forwarded by registered mail, addressed to the corporation at its registered office. Any service so had on the Director of Finance shall be returnable in not less than thirty days.

The Director of Finance shall keep a record of all processes, notices and demands served upon him under this section, and shall record therein the time of such service and his action with reference thereto.

Nothing herein contained shall limit or affect the right to serve any process, notice or demand required or permitted by law to be served upon a corporation in any other manner now or hereafter permitted by law.

**Sec. 14. Authorized Shares.** Each corporation shall have power to create and issue the number of shares stated in its articles of incor-

poration. Such shares may be divided into one or more classes, any or all of which classes may consist of shares with par value or shares without par value, with such designations, preferences, limitations, and relative rights as shall be stated in the articles of incorporation. The articles of incorporation may limit or deny the voting rights of the shares of any class to the extent not inconsistent with the provisions of this Act.

Without limiting the authority herein contained, a corporation, when so provided in its articles of incorporation, may issue shares of preferred or special classes:

(a) Subject to the right of the corporation to redeem any of such shares at the price fixed by the articles of incorporation for the redemption thereof.

(b) Entitling the holders thereof to cumulative, non-cumulative or partially cumulative dividends.

(c) Having preference over any other class or classes of shares as to the payment of dividends.

(d) Having preference in the assets of the corporation over any other class or classes of shares upon the voluntary or involuntary liquidation of the corporation.

(e) Convertible into shares of any other class or into shares of any series of the same or any other class, except a class having prior or superior rights and preferences as to dividends or distribution of assets upon liquidation, but shares without par value shall not be converted into shares with par value unless that part of the stated capital of the corporation represented by such shares without par value is, at the time of conversion, at least

equal to the aggregate par value of the shares into which the shares without par value are to be converted.

**Sec. 15. Issuance of Shares of Preferred or Special Classes in Series.** If the articles of incorporation so provide, the shares of any preferred or special class may be divided into and issued in series. If the shares of any such class are to be issued in series, then each series shall be so designated as to distinguish the shares thereof from the shares of all other series and classes. Any or all of the series of any such class and the variations in the relative rights and preferences as between different series may be fixed and determined by the articles of incorporation, but all shares of the same class shall be identical except as to the following relative rights and preferences, as to which there may be variations between different series:

(a) The rate of dividend.

(b) The price at and the terms and conditions on which shares may be redeemed.

(c) The amount payable upon shares in event of involuntary liquidation.

(d) The amount payable upon shares in event of voluntary liquidation.

(e) Sinking fund provisions for the redemption or purchase of shares.

(f) The terms and conditions on which shares may be converted, if the shares of any series are issued with the privilege of conversion.

If the articles of incorporation shall expressly vest authority in the board of directors, then, to the

extent that the articles of incorporation shall not have established series and fixed and determined the variations in the relative rights and preferences as between series, the board of directors shall have authority to divide any or all of such classes into series and, within the limitations set forth in this section and in the articles of incorporation, fix and determine the relative rights and preferences of the shares of any series so established.

In order for the board of directors to establish a series, where authority so to do is contained in the articles of incorporation, the board of directors shall adopt a resolution setting forth the designation of the series and fixing and determining the relative rights and preferences thereof, or so much thereof as shall not be fixed and determined by the articles of incorporation.

Prior to the issue of any shares of a series established by resolution adopted by the board of directors, the corporation shall file in the office of the Director of Finance a statement setting forth:

- (a) The name of the corporation.
- (b) A copy of the resolution establishing and designating the series, and fixing and determining the relative rights and preferences thereof.
- (c) The date of adoption of such resolution.
- (d) That such resolution was duly adopted by the board of directors.

Such statement shall be executed in duplicate by the corporation by its president or a vice president and by its secretary or an assistant

secretary, and verified by one of the officers signing such statement, and shall be delivered to the Director of Finance. If the Director of Finance finds that such statement conforms to law, he shall, when all franchise taxes and fees have been paid as in this Act prescribed:

(a) Endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof.

(b) File one of such duplicate originals in his office.

(c) Return the other duplicate original to the corporation or its representative.

Upon the filing of such statement by the Director of Finance, the resolution establishing and designating the series and fixing and determining the relative rights and preferences thereof shall become effective and shall constitute an amendment of the articles of incorporation.

**Sec. 16. Subscriptions for Shares.** A subscription for shares of a corporation to be organized shall be irrevocable for a period of six months, unless otherwise provided by the terms of the subscription agreement or unless all of the subscribers consent to the revocation of such subscription.

Unless otherwise provided in the subscription agreement, subscriptions for shares, whether made before or after the organization of a corporation, shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of for a period of twenty days after written demand has been made therefor. If mailed, such written demand shall be deemed to be made

directors for payment on subscriptions shall be uniform as to all shares of the same class or as to all shares of the same series, as the case may be. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation. The by-laws may prescribe other penalties for failure to pay installments or calls that may become due, but no penalty working a forfeiture of a subscription, or of the amounts paid thereon, shall be declared as against any subscriber unless the amount due thereon shall remain unpaid when deposited in the United States mail in a sealed envelope addressed to the subscriber at his last post-office address known to the corporation, with postage thereon prepaid. In the event of the sale of any shares by reason of any forfeiture, the excess of proceeds realized over the amount due and unpaid on such shares shall be paid to the delinquent subscriber or to his legal representative.

**Sec. 17. Consideration for Shares.** Shares having a par value may be issued for such consideration expressed in dollars, not less than the par value thereof, as shall be fixed from time to time by the board of directors.

Shares without par value may be issued for such consideration as may be fixed from time to time by the board of directors unless the articles of incorporation reserve to the shareholders the right to fix the consideration. In the event that such right be reserved as to any shares, the shareholders shall, prior to the issuance of such shares, fix the consideration to be received for such shares, by a vote of the

holders of a majority of all shares entitled to vote thereon.

Treasury shares may be disposed of by the corporation for such consideration expressed in dollars as may be fixed from time to time by the board of directors.

That part of the surplus of a corporation which is transferred to stated capital upon the issuance of shares as a share dividend shall be deemed to be the consideration for the issuance of such shares.

In the event of a conversion of shares, or in the event of an exchange of shares with or without par value for the same or a different number of shares with or without par value, whether of the same or a different class or classes, the consideration for the shares so issued in exchange or conversion shall be deemed to be (1) the stated capital then represented by the shares so exchanged or converted, (2) that part of surplus, if any, transferred to stated capital upon the issuance of shares for the shares so exchanged or converted, and (3) any additional consideration paid to the corporation upon the issuance of shares for the shares so exchanged or converted.

**Sec. 18. Payment for Shares.** The consideration for the issuance of shares may be paid, in whole or in part, in money, in other property, tangible or intangible, or in labor or services actually performed for the corporation. When payment of the consideration for which shares are to be issued shall have been received by the corporation, such shares shall be deemed to be fully paid and non-assessable.

Neither promissory notes nor future services shall constitute payment or part payment, for shares of a corporation.

In the absence of fraud in the transaction, the judgment of the board of directors or the shareholders, as the case may be, as to the value of the consideration received for shares shall be conclusive.

**Sec. 19. Determination of Amount of Stated Capital.** In case of the issuance by a corporation of shares having a par value, the consideration received therefor shall constitute stated capital to the extent of the par value of such shares, and the excess, if any, of such consideration shall constitute capital surplus.

In case of the issuance by a corporation of shares without par value, the entire consideration received therefor shall constitute stated capital unless the corporation shall determine as provided in this section that only a part thereof shall be stated capital. Within a period of sixty days after the issuance of any shares without par value, the board of directors may allocate to capital surplus not more than twenty-five per cent of the consideration received for the issuance of such shares. No such allocation shall be made of any portion of the consideration received for shares without par value having a preference in the assets of the corporation in the event of involuntary liquidation except the amount, if any, of such consideration in excess of such preference.

The stated capital of a corporation may be increased from time to time by resolution of the board of directors directing that all or a part of the surplus of the corporation be transferred to stated capital. The board of directors may direct that the amount of the surplus so transferred shall be deemed to be stated capital in respect of any

designated class of shares.

**Sec. 20. Expenses of Organization, Reorganization and Financing.** The reasonable charges and expenses of organization or reorganization of a corporation, and the reasonable expenses of and compensation for the sale or underwriting of its shares, may be paid or allowed by such corporation out of the consideration received by it in payment for its shares without thereby rendering such shares not fully paid and nonassessable.

**Sec. 21. Certificates Representing Shares.** The shares of a corporation shall be represented by certificates signed by the president or a vice president and the secretary or an assistant secretary of the corporation, and may be sealed with the seal of the corporation or a facsimile thereof. The signatures of the president or vice president and the secretary or assistant secretary upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent, or registered by a registrar, other than the corporation itself or an employee of the corporation. In case any officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer at the date of its issue.

Every certificate representing shares issued by a corporation which is authorized to issue shares of more than one class shall set forth upon the face or back of the certificate, or shall state that the corporation will furnish to any shareholder upon request and without charge, a full or summary statement of the designations,

preferences, limitations, and relative rights of the shares of each class authorized to be issued and, if the corporation is authorized to issue any preferred or special class in series, the variations in the relative rights and preferences between the shares of each such series so far as the same have been fixed and determined and the authority of the board of directors to fix and determine the relative rights and preferences of subsequent series.

Each certificate representing shares shall state upon the face thereof:

(a) That the corporation is organized under the laws of Alaska.

(b) The name of the person to whom issued.

(c) The number and class of shares, and the designation of the series, if any, which such certificate represents.

(d) The par value of each share represented by such certificate, or a statement that the shares are without par value.

No certificate shall be issued for any share until such share is fully paid.

**Sec. 22. Issuance of Fractional Shares or Scrip.** A corporation may, but shall not be obliged to, issue a certificate for a fractional share, and, by action of its board of directors, may issue in lieu thereof scrip in registered or bearer form which shall entitle the holder to receive a certificate for a full share upon the surrender of such scrip aggregating a full share. A certificate for a fractional share shall, but scrip shall not unless otherwise provided therein, entitle the holder to exercise voting

rights, to receive dividends thereon, and to participate in any of the assets of the corporation in the event of liquidation. The board of directors may cause such scrip to be issued subject to the condition that it shall become void if not exchanged for certificates representing full shares before a specified date, or subject to the condition that the shares for which such scrip is exchangeable may be sold by the corporation and the proceeds thereof distributed to the holders of such scrip, or subject to any other conditions which the board of directors may deem advisable.

**Sec. 23. Liability of Subscribers and Shareholders.** A holder of or subscriber to shares of a corporation shall be under no obligation to the corporation or its creditors with respect to such shares other than the obligation to pay to the corporation the full consideration for which such shares were issued or to be issued.

Any person becoming an assignee or transferee of shares or of a subscription for shares in good faith and without knowledge or notice that the full consideration therefor has not been paid shall not be personally liable to the corporation or its creditors for any unpaid portion of such consideration.

An executor, administrator, conservator, guardian, trustee, assignee for the benefit of creditors, or receiver shall not be personally liable to the corporation as a holder of or subscriber to shares of a corporation but the estate and funds in his hands shall be so liable.

No pledgee or other holder of shares as collateral security shall be personally liable as a shareholder.

**Sec. 24. Shareholders' Preemptive Rights.** The preemptive right of a shareholder to acquire unissued or treasury shares of a corporation may be limited or denied to the extent provided in the articles of incorporation.

Unless otherwise provided by its articles of incorporation, any corporation may issue and sell its shares to its officers or employees or to the officers or employees of any subsidiary corporation, without first offering such shares to its shareholders, for such consideration and upon such terms and conditions as shall be approved by the holders of two-thirds of all shares entitled to vote thereon or by its board of directors pursuant to like approval of the shareholders.

**Sec. 25. By-Laws.** The initial by-laws of a corporation shall be adopted by its board of directors. The power to alter, amend or repeal the by-laws or adopt new by-laws shall be vested in the board of directors unless reserved to the shareholders by the articles of incorporation. The by-laws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the articles of incorporation.

**Sec. 26. Meetings of Shareholders.** Meetings of shareholders may be held at such place, either within or without Alaska, as may be provided in the by-laws. In the absence of any such provision, all meetings shall be held at the registered office of the corporation.

An annual meeting of the shareholders shall be held at such time as may be provided in the by-laws. Failure to hold the annual meeting at the designated time shall not

work a forfeiture or dissolution of the corporation.

Special meetings of the shareholders may be called by the president, the board of directors, the holders of not less than one-tenth of all the shares entitled to vote at the meeting, or such other officers or persons as may be provided in the articles of incorporation or the by-laws.

**Sec. 27. Notice of Shareholders' Meetings.** Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary, or the officer or persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid.

**Sec. 28. Closing of Transfer Books and Fixing Record Date.** For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the board of directors of a corporation may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, fifty days. If the stock transfer books shall be closed for the purpose of determining shareholders entitled to notice

of or to vote at a meeting of shareholders, such books shall be closed for at least ten days immediately preceding such meeting. In lieu of closing the stock transfer books, the by-laws, or in the absence of an applicable by-law the board of directors, may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than fifty days and, in case of a meeting of shareholders, not less than ten days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the board of directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof except where the determination has been made through the closing of the stock transfer books and the stated period of closing has expired.

**Sec. 29. Voting List.** The officer or agent having charge of the stock transfer books for shares of a corporation shall make, at least ten days before each meeting of shareholders, a complete list of the shareholders entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of and the number

of shares held by each, which list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the corporation and shall be subject to inspection by any shareholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original stock transfer books shall be prima facie evidence as to who are the shareholders entitled to examine such list or transfer books or to vote at any meeting of shareholders.

Failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

An officer or agent having charge of the stock transfer books who shall fail to prepare the list of shareholders, or keep it on file for a period of ten days, or produce and keep it open for inspection at the meeting, as provided in this section, shall be liable to any shareholder suffering damage on account of such failure, to the extent of such damage.

**Sec. 30. Quorum of Shareholders.**

Unless otherwise provided in the articles of incorporation, a majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders, but in no event shall a quorum consist of less than one-third of the shares entitled to vote at the meeting. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on the subject matter shall be the act of the shareholders, unless the vote of a greater number or voting

by classes is required by this Act or the articles of incorporation or by-laws.

**Sec. 31. Voting of Shares.** Each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders, except to the extent that the voting rights of the shares of any class or classes are limited or denied by the articles of incorporation as permitted by this Act.

Neither treasury shares, nor shares of its own stock held by a corporation in a fiduciary capacity, nor shares held by another corporation if a majority of the shares entitled to vote for the election of directors of such other corporation is held by the corporation, shall be voted at any meeting or counted in determining the total number of outstanding shares at any given time.

A shareholder may vote either in person or by proxy executed in writing by the shareholder or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

At each election for directors every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes on the same principle among any number of such candidates.

Shares standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the by-laws of such corporation may prescribe, or, in the absence of such provision, as the board of directors of such corporation may determine.

Shares held by an administrator, executor, guardian or conservator may be voted by him, either in person or by proxy, without a transfer of such shares into his name. Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote shares held by him without a transfer of such shares into his name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority so to do be contained in an appropriate order of the court by which such receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

**Sec. 32. Voting Trust.** Any number of shareholders of a corporation may create a voting trust for the purpose of conferring upon a trustee or trustees the right to vote or otherwise represent their shares, for a period of not to exceed ten years, by entering into a written voting trust agreement specifying the terms and conditions of the voting trust, by depositing a counterpart of the agreement with the corporation at its reg-

istered office, and by transferring their shares to such trustee or trustees for the purposes of the agreement. The counterpart of the voting trust agreement so deposited with the corporation shall be subject to the same right of examination by a shareholder of the corporation, in person or by agent or attorney, as are the books and records of the corporation, and shall be subject to examination by any holder of a beneficial interest in the voting trust, either in person or by agent or attorney, at any reasonable time for any proper purpose.

**Sec. 33. Board of Directors.** The business and affairs of a corporation shall be managed by a board of directors. Directors need not be residents of Alaska or shareholders of the corporation unless the articles of incorporation or by-laws so require. The articles of incorporation or by-laws may prescribe other qualifications for directors. The board of directors shall have authority to fix the compensation of directors unless otherwise provided in the articles of incorporation.

**Sec. 34. Number and Election of Directors.** The number of directors of a corporation shall be not less than three. Subject to such limitation, the number of directors shall be fixed by the by-laws, except as to the number constituting the initial board of directors, which number shall be fixed by the articles of incorporation. The number of directors may be increased or decreased from time to time by amendment to the by-laws, but no decrease shall have the effect of shortening the term of any incumbent director. In the absence of a by-law fixing the number of directors, the number shall be the

same as that stated in the articles of incorporation. The names and addresses of the members of the first board of directors shall be stated in the articles of incorporation. Such persons shall hold office until the first annual meeting of shareholders, and until their successors shall have been elected and qualified. At the first annual meeting of shareholders and at each annual meeting thereafter the shareholders shall elect directors to hold office until the next succeeding annual meeting, except in case of the classification of directors as permitted by this Act. Each director shall hold office for the term for which he is elected and until his successor shall have been elected and qualified.

**Sec 35. Classification of Directors.** When the board of directors shall consist of nine or more members, in lieu of electing the whole number of directors annually, the by-laws may provide that the directors be divided into either two or three classes, each class to be as nearly equal in number as possible, the term of office of directors of the first class to expire at the first annual meeting of shareholders after their election, that of the second class to expire at the second annual meeting after their election, and that of the third class, if any, to expire at the third annual meeting after their election. At each annual meeting after such classification the number of directors equal to the number of the class whose term expires at the time of such meeting shall be elected to hold office until the second succeeding annual meeting, if there be two classes, or until the third succeeding annual meeting, if there be three classes. No classification of directors shall be effective prior

to the first annual meeting of shareholders.

**Sec. 36. Vacancies.** Any vacancy occurring in the board of directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of shareholders called for that purpose.

**Sec. 37. Quorum of Directors.** A majority of the number of directors fixed by the by-laws, or in the absence of a by-law fixing the number of directors, then of the number stated in the articles of incorporation, shall constitute a quorum for the transaction of business unless a greater number is required by the articles of incorporation or the by-laws. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by the articles of incorporation or the by-laws.

**Sec. 38. Executive Committee.** If the articles of incorporation or the by-laws so provide, the board of directors, by resolution adopted by a majority of the number of directors fixed by the by-laws, or in the absence of a by-law fixing the number of directors, then of the number stated in the articles of incorporation, may designate two or more directors to constitute an executive committee, which committee, to the extent provided in such resolution or in the articles of incorporation

or the by-laws of the corporation shall have and may exercise all of the authority of the board of directors in the management of the corporation; but the designation of such committee and the delegation thereto of authority shall not operate to relieve the board of directors, or any member thereof, of any responsibility imposed upon it or him by law.

**Sec. 39. Place and Notice of Directors' Meetings.** Meetings of the board of directors, regular or special, may be held either within or without Alaska.

Regular meetings of the board of directors may be held with or without notice as prescribed in the by-laws. Special meetings of the board of directors shall be held upon such notice as is prescribed in the by-laws. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting unless required by the by-laws.

**Sec. 40. Dividends.** The board of directors of a corporation may, from time to time, declare and the corporation may pay dividends on its outstanding shares in cash, property, or its own shares, except when the corporation is insolvent or when the payment thereof would render the corporation insolvent or when the declaration or payment thereof would be contrary to any restrictions contained in the articles of

incorporation, subject to the following provisions:

(a) Dividends may be declared and paid in cash or property only out of the unreserved and unrestricted earned surplus of the corporation, except as otherwise provided in this section.

(b) If the articles of incorporation of a corporation engaged in the business of exploiting natural resources so provide, dividends may be declared and paid in cash out of the depletion reserves, but each such dividend shall be identified as a distribution of such reserves and the amount per share paid from such reserves shall be disclosed to the shareholders receiving the same concurrently with the distribution thereof.

(c) Dividends may be declared and paid in its own shares out of any treasury shares that have been reacquired out of surplus of the corporation.

(d) Dividends may be declared and paid in its own authorized but unissued shares out of any surplus of the corporation upon the following conditions:

(1) If a dividend is payable in its own shares having a par value, such shares shall be issued at the par value thereof and there shall be transferred to stated capital at the time such dividend is paid an amount of surplus equal to the aggregate par value of the shares to be issued as a dividend.

(2) If a dividend is payable in its own shares without par value, such shares shall be issued at such value as shall be fixed by the board of directors by resolution adopted at the time such dividend is declared, and there

shall be transferred to stated capital at the time such dividend is paid an amount of surplus equal to the aggregate value so fixed in respect of such shares; and the amount per share so transferred to stated capital shall be disclosed to the shareholders receiving such dividend concurrently with the payment thereof.

(e) No dividend payable in shares of any class shall be paid to the holders of shares of any other class unless the articles of incorporation so provide or such payment is authorized by the affirmative vote or the written consent of the holders of at least a majority of the outstanding shares of the class in which the payment is to be made.

A split-up or division of the issued shares of any class into a greater number of shares of the same class without increasing the stated capital of the corporation shall not be construed to be a share dividend within the meaning of this section.

**Sec. 41. Distributions in Partial Liquidation.** The board of directors of a corporation may, from time to time, distribute to its shareholders in partial liquidation, out of stated capital or capital surplus of the corporation, a portion of its assets, in cash or property, subject to the following provisions:

(a) No such distribution shall be made at a time when the corporation is insolvent or when such distribution would render the corporation insolvent.

(b) No such distribution shall be made unless the articles of incorporation so provide or such distribution is authorized by the affirmative vote of the holders of at least two-thirds of the outstanding

shares of each class whether or not entitled to vote thereon by the provisions of the articles of incorporation of the corporation.

(c) No such distribution shall be made to the holders of any class of shares unless all cumulative dividends accrued on all preferred or special classes of shares entitled to preferential dividends shall have been fully paid.

(d) No such distribution shall be made to the holders of any class of shares which would reduce the remaining net assets of the corporation below the aggregate preferential amount payable in event of voluntary liquidation to the holders of shares having preferential rights to the assets of the corporation in the event of liquidation.

(e) Each such distribution, when made, shall be identified as a distribution in partial liquidation and the amount per share disclosed to the shareholders receiving the same concurrently with the distribution thereof.

The board of directors of a corporation may also, from time to time, distribute to the holders of its outstanding shares having a cumulative preferential right to receive dividends, in discharge of their cumulative dividend rights, dividends payable in cash out of the capital surplus of the corporation, if at the time the corporation has no earned surplus and is not insolvent and would not thereby be rendered insolvent. Each such distribution, when made, shall be identified as a payment of cumulative dividends out of capital surplus.

**Sec. 42. Loans.** No loans shall be made by a corporation to its officers or directors, and no loans shall

be made by a corporation secured by its shares.

**Sec. 43. Liability of Directors in Certain Cases.** In addition to any other liabilities imposed by law upon directors of a corporation:

(a) Directors of a corporation who vote for or assent to the declaration of any dividend or other distribution of the assets of a corporation to its shareholders contrary to the provisions of this Act or contrary to any restrictions contained in the articles of incorporation, shall be jointly and severally liable to the corporation for the amount of such dividend which is paid or the value of such assets which are distributed in excess of the amount of such dividend or distribution which could have been paid or distributed without a violation of the provisions of this Act or the restrictions in the articles of incorporation.

(b) Directors of a corporation who vote for or assent to the purchase of its own shares contrary to the provisions of this Act shall be jointly and severally liable to the corporation for the amount of consideration paid for such shares which is in excess of the maximum amount which could have been paid therefor without a violation of the provisions of this Act.

(c) The directors of a corporation who vote for or assent to any distribution of assets of a corporation to its shareholders during the liquidation of the corporation without the payment and discharge of, or making adequate provision for, all known debts, obligations, and liabilities of the corporation shall be jointly and severally liable to the corporation for the value of such assets which are distributed, to the extent that such

debts, obligations and liabilities of the corporation are not thereafter paid and discharged.

(d) The directors of a corporation who vote for or assent to the making of a loan to an officer or director of the corporation, or the making of any loan secured by shares of the corporation, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

(e) If a corporation shall commence business before it has received at least one thousand dollars as consideration for the issuance of shares, the directors who assent thereto shall be jointly and severally liable to the corporation for such part of one thousand dollars as shall not have been received before commencing business, but such liability shall be terminated when the corporation has actually received one thousand dollars as consideration for the issuance of shares.

A director of a corporation who is present at a meeting of its board of directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such rights to dissent shall not apply to a director who voted in favor of such action.

A director shall not be liable under subparagraphs (a), (b) or (c) of this section if he relied and acted in good faith upon financial state-

ments of the corporation represented to him to be correct by the president or the officer of such corporation having charge of its books of account, or certified by an independent public or certified public accountant or firm of such accountants fairly to reflect the financial condition of such corporation, nor shall he be so liable if in good faith in determining the amount available for any such dividend or distribution, he considered the assets to be of their book value.

Any director against whom a claim shall be asserted under or pursuant to this section for the payment of a dividend or other distribution of assets of a corporation and who shall be held liable thereon, shall be entitled to contribution from the shareholders who accepted or received any such dividend or assets, knowing such dividend or distribution to have been made in violation of this section, in proportion to the amounts received by them respectively.

Any director against whom a claim shall be asserted under or pursuant to this section shall be entitled to contribution from the other directors who voted for or assented to the action upon which the claim is asserted.

**Sec. 44. Officers.** The officers of a corporation shall consist of a president, one or more vice presidents as may be prescribed by the by-laws, a secretary, and a treasurer, each of whom shall be elected by the board of directors at such time and in such manner as may be prescribed by the by-laws. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the board of directors or chosen in such other manner as may be

prescribed by the by-laws. Any two or more offices may be held by the same person, except the offices of president and secretary.

All officers and agents of the corporation, as between themselves and the corporation, shall have such authority and perform such duties in the management of the corporation as may be provided in the by-laws, or as may be determined by resolution of the board of directors not inconsistent with the by-laws.

**Sec. 45. Removal of Officers.** Any officer or agent may be removed by the board of directors, or by the executive committee, if any, whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

**Sec. 46. Books and Records.** Each corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its shareholders and board of directors; and shall keep at its registered office or principal place of business, or at the office of its transfer agent or register, a record of its shareholders, giving the names and addresses of all shareholders and the number and class of the shares held by each.

Any person who shall have been a shareholder of record for at least six months immediately preceding his demand or who shall be the holder of record of at least five percent of all the outstanding shares of a corporation, upon written demand stating the purpose

thereof, shall have the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose, its books and records of account, minutes and record of shareholders and to make extracts therefrom.

Any officer or agent who, or a corporation which, shall refuse to allow any such shareholder, or his agent or attorney, so to examine and make extracts from its books and records of account, minutes, and record of shareholders, for any proper purpose, shall be liable to such shareholder in a penalty of ten per cent of the value of the shares owned by such shareholder, in addition to any other damages or remedy afforded him by law. It shall be a defense to any action for penalties under this section that the person suing therefor has within two years sold or offered for sale any list of shareholders of such corporation or any other corporation or has aided or abetted any person in procuring any list of shareholders for any such purpose, or has improperly used any information secured through any prior examination of the books and records of account, or minutes, or record of shareholders of such corporation or any other corporation, or was not acting in good faith or for a proper purpose in making his demand.

Nothing herein contained shall impair the power of any court of competent jurisdiction, upon proof by a shareholder of proper purpose, irrespective of the period of time during which such shareholder shall have been a shareholder of record, and irrespective of the number of shares held by him, to compel the production for examination by such shareholder of the books and records of account, min-

utes, and record of shareholders of a corporation.

Upon the written request of any shareholder of a corporation, the corporation shall mail to such shareholder its most recent financial statements showing in reasonable detail its assets and liabilities and the results of its operations.

**Sec. 47. Incorporators.** Three or more natural persons of the age of twenty-one years or more, may act as incorporators of a corporation by signing, verifying and delivering in duplicate to the Director of Finance articles of incorporation for such corporation.

**Sec. 48. Articles of Incorporation.** The articles of incorporation shall set forth:

- (a) The name of the corporation.
- (b) The period of duration, which may be perpetual.
- (c) The purpose or purposes for which the corporation is organized.
- (d) The aggregate number of shares which the corporation shall have authority to issue; if such shares are to consist of one class only, the par value of each of such shares, or a statement that all of such shares are without par value; or, if such shares are to be divided into classes, the number of shares of each class, and a statement of the par value of the shares of each such class or that such shares are to be without par value.

(e) If the shares are to be divided into classes, the designation of each class and a statement of the preferences, limitations and relative rights in respect of the shares of each class.

(f) If the corporation is to issue the shares of any preferred or special class in series, then the designation of each series and a statement of the variations in the relative rights and preferences as between series insofar as the same are to be fixed in the articles of incorporation, and a statement of any authority to be vested in the board of directors to establish series and fix and determine the variations in the relative rights and preferences as between series.

(g) A statement that the corporation will not commence business until consideration of the value of at least one thousand dollars has been received for the issuance of shares.

(h) Any provision limiting or denying to shareholders the preemptive right to acquire additional or treasury shares of the corporation.

(i) Any provision, not inconsistent with law, which the incorporators elect to set forth in the articles of incorporation for the regulation of the internal affairs of the corporation, including any provision which under this Act is required or permitted to be set forth in the by-laws.

(j) The address of its initial registered office, and the name of its initial registered agent at such address.

(k) The number of directors constituting the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors be elected and qualify.

(l) The name and address of each incorporator.

It shall not be necessary to set forth in the articles of incorporation any of the corporate powers enumerated in this Act.

**Sec. 49. Filing of Articles of Incorporation.** Duplicate originals of the articles of incorporation shall be delivered to the Director of Finance. If the Director of Finance finds that the articles of incorporation conform to law, he shall, when all fees have been paid as in this Act prescribed:

(a) Endorse on each of such duplicate originals the word "Filed," and the month, day and year of the filing thereof.

(b) File one of such duplicate originals in his office.

(c) Issue a certificate of incorporation to which he shall affix the other duplicate original.

The certificate of incorporation, together with the duplicate original of the articles of incorporation affixed thereto by the Director of Finance, shall be returned to the incorporators or their representative.

**Sec. 50. Effect of Issuance of Certificate of Incorporation.** Upon the issuance of the certificate of incorporation, the corporate existence shall begin, and such certificate of incorporation shall be conclusive evidence that all conditions precedent required to be performed by the incorporators have been complied with and that the corporation has been incorporated under this Act, except as against Alaska in a proceeding to cancel or revoke the certificate of incorporation or for involuntary dissolution of the corporation.

**Sec. 51. Requirement Before Commencing Business.** A corporation

shall not transact any business or incur any indebtedness, except such as shall be incidental to its organization or to obtaining subscriptions to or payment for its shares, until there has been paid in for the issuance of shares consideration of the value of at least one thousand dollars.

**Sec. 52. Organization Meeting of Directors.** After the issuance of the certificate of incorporation an organization meeting of the board of directors named in the articles of incorporation shall be held, either within or without Alaska, at the call of a majority of the incorporators, for the purpose of adopting by-laws, electing officers and the transaction of such other business as may come before the meeting. The incorporators calling the meeting shall give at least three days' notice thereof by mail to each director so named, which notice shall state the time and place of the meeting.

**Sec. 53. Right to Amend Articles of Incorporation.** A corporation may amend its articles of incorporation, from time to time, in any and as many respects as may be desired, so long as its articles of incorporation as amended contain only such provisions as might be lawfully contained in original articles of incorporation at the time of making such amendment, and, if a change in shares or the rights of shareholders, or an exchange, reclassification or cancellation of shares or rights of shareholders is to be made, such provisions as may be necessary to effect such change, exchange, reclassification or cancellation.

In particular, and without limitation upon such general power of amendment, a corporation may amend its articles of incorporation,

from time to time, so as:

- (a) To change its corporate name.
- (b) To change its period of duration.
- (c) To change, enlarge or diminish its corporate purposes.
- (d) To increase or decrease the aggregate number of shares, or shares of any class, which the corporation has authority to issue.
- (e) To increase or decrease the par value of the authorized shares of any class having a par value, whether issued or unissued.
- (f) To exchange, classify, reclassify or cancel all or any part of its shares, whether issued or unissued.
- (g) To change the designation of all or any part of its shares, whether issued or unissued, and to change the preferences, limitations, and the relative rights in respect of all or any part of its shares, whether issued or unissued.
- (h) To change shares having a par value, whether issued or unissued, into the same or a different number of shares without par value, and to change shares without par value, whether issued or unissued, into the same or a different number of shares having a par value.
- (i) To change the shares of any class, whether issued or unissued, and whether with or without par value, into a different number of shares of the same class or into the same or a different number of shares, either with or without par value, of other classes.
- (j) To create new classes of shares having rights and preferences either prior and superior or subordinate and inferior to the shares of any class then authorized, whether issued or unissued.
- (k) To cancel or otherwise affect the right of the holders of the shares of any class to receive dividends which have accrued but have not been declared.
- (l) To divide any preferred or special class of shares, whether issued or unissued, into series and fix and determine the designations of such series and the variations in the relative rights and preferences as between the shares of such series.
- (m) To authorize the board of directors to establish, out of authorized but unissued shares, series of any preferred or special class of shares and fix and determine the relative rights and preferences of the shares of any series so established.
- (n) To authorize the board of directors to fix and determine the relative rights and preferences of the authorized but unissued shares of series theretofore established in respect of which either the relative rights and preferences have not been fixed and determined or the relative rights and preferences theretofore fixed and determined are to be changed.
- (o) To revoke, diminish, or enlarge the authority of the board of directors to establish series out of authorized but unissued shares of any preferred or special class and fix and determine the relative rights and preferences of the shares of any series so established.
- (p) To limit, deny or grant to shareholders of any class the preemptive right to acquire additional or treasury shares of the corporation, whether then or thereafter authorized.

**Sec. 54. Procedure to Amend Articles of Incorporation.** Amendments to the articles of incorporation shall be made in the following manner:

(a) The board of directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each shareholder of record entitled to vote thereon within the time and in the manner provided in this Act for the giving of notice of meetings of shareholders. If the meeting be an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

(c) At such meeting a vote of the shareholders entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of the holders of at least two-thirds of the shares entitled to vote thereon, unless any class of shares is entitled to vote thereon as a class, in which event the proposed amendment shall be adopted upon receiving the affirmative vote of the holders of at least two-thirds of the shares of each class of shares entitled to vote thereon as a class and of the total shares entitled to vote thereon.

Any number of amendments may be submitted to the shareholders, and voted upon by them, at one meeting.

**Sec. 55. Class Voting on Amend-**

**ments.** The holders of the outstanding shares of any class entitled to vote upon a proposed amendment by the provisions of the articles of incorporation, shall be entitled to vote as a class thereon if the amendment would change the shares of any class having a par value into the same or a different number of shares without par value, or change the shares of any class without par value into the same or a different number of shares having a par value, or change the shares of any class, whether with or without par value, into a different number of shares of the same class.

The holders of the outstanding shares of a class shall be entitled to vote as a class upon a proposed amendment, whether or not entitled to vote thereon by the provisions of the articles of incorporation, if the amendment would:

(a) Increase or decrease the aggregate number of authorized shares of such class.

(b) Increase or decrease the par value of the shares of such class.

(c) Effect an exchange, reclassification or cancellation of all or part of the shares of such class.

(d) Effect an exchange, or create a right of exchange, of all or any part of the shares of another class into the shares of such class.

(e) Change the designations, preferences, limitations or relative rights of the shares of such class.

(f) Change the shares of such class, whether with or without par value, into the same or a different number of shares, either with or without par value, of the same class

or another class or classes.

(g) Create a new class of shares having rights and preferences prior and superior to the shares of such class, or increase the rights and preferences of any class having rights and preferences prior or superior to the shares of such class.

(h) In the case of a preferred or special class of shares, divide the shares of such class into series and fix and determine the designation of such series and the variations in the relative rights and preferences between the shares of such series.

(i) Limit or deny the existing preemptive rights of the shares of such class.

(j) Cancel or otherwise affect dividends on the shares of such class which had accrued but had not been declared.

**Sec. 56. Articles of Amendment.** The articles of amendment shall be executed in duplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such articles, and shall set forth:

- (a) The name of the corporation.
- (b) The amendment so adopted.
- (c) The date of the adoption of the amendment by the shareholders.
- (d) The number of shares outstanding, and the number of shares entitled to vote thereon, and if the shares of any class are entitled to vote thereon as a class, the designation and number of outstanding shares entitled to vote thereon of each such class.
- (e) The number of shares voted

for and against such amendment, respectively, and, if the shares of any class are entitled to vote thereon as a class, the number of shares of each such class voted for and against such amendment, respectively.

(f) If such amendment provides for an exchange, reclassification or cancellation of issued shares, and if the manner in which the same shall be effected is not set forth in the amendment, then a statement of the manner in which the same shall be effected.

(g) If such amendment effects a change in the amount of stated capital, then a statement of the manner in which the same is effected and a statement, expressed in dollars, of the amount of stated capital as changed by such amendment.

**Sec. 57. Filing of Articles of Amendment.** Duplicate originals of the articles of amendment shall be delivered to the Director of Finance. If the Director of Finance finds that the articles of amendment conform to law, he shall, when all fees and franchise taxes have been paid as in this Act prescribed:

- (a) Endorse on each of such duplicate originals the word "Filed," and the month, day and year of the filing thereof.
- (b) File one of such duplicate originals in his office.
- (c) Issue a certificate of amendment to which he shall affix the other duplicate original.

The certificate of amendment, together with the duplicate original of the articles of amendment affixed thereto by the Director of Finance, shall be returned to the

corporation or its representative.

**Sec. 58. Effect of Certificate of Amendment.** Upon the issuance of the certificate of amendment by the Director of Finance, the amendment shall become effective and the articles of incorporation shall be deemed to be amended accordingly.

No amendment shall affect any existing cause of action in favor of or against such corporation, or any pending suit to which such corporation shall be a party, or the existing rights of persons other than shareholders; and, in the event the corporate name shall be changed by amendment, no suit brought by or against such corporation under its former name shall abate for that reason.

**Sec. 59. Restated Articles of Incorporation.** A domestic corporation may at any time restate its articles of incorporation as theretofore amended, in the following manner:

(a) The board of directors shall adopt a resolution setting forth the proposed restated articles of incorporation and directing that they be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice setting forth the proposed restated articles shall be given to each shareholder of record entitled to vote thereon within the time and in the manner provided in this Act for the giving of notice of meetings of shareholders. If the meeting be an annual meeting, the proposed restated articles may be included in the notice of such annual meeting.

(c) At such meeting a vote of

the shareholders entitled to vote thereon shall be taken on the proposed restated articles. The proposed restated articles shall be adopted upon receiving the affirmative vote of the holders of at least two-thirds of the shares entitled to vote thereon.

Upon such approval, restated articles of incorporation shall be executed in duplicate by the corporation by its president or a vice president and by its secretary or assistant secretary, and verified by one of the officers signing such articles, and shall set forth:

(1) The name of the corporation.

(2) The period of its duration.

(3) The purpose or purposes which the corporation is then authorized to pursue.

(4) The aggregate number of shares which the corporation has authority to issue; if such shares consist of one class only, the par value of each of such shares, or a statement that all of such shares are without par value; or, if such shares are divided into classes, the number of shares of each class, and a statement of the par value of the shares of each such class or that such shares are without par value.

(5) If the shares are divided into classes, the designation of each class and a statement of the preferences, limitations and relative rights in respect of the shares of each class.

(6) If the shares of any preferred or special class are issuable in series, the designation of each series and a statement of the variations in the relative rights and preferences as between series

insofar as the same have been fixed, and a statement of any authority vested in the board of directors to establish series and fix and determine the variations in the relative rights and preferences as between series.

(7) Any existing provision limiting or denying to shareholders the preemptive right to acquire additional or treasury shares of the corporation.

(8) Any provisions, not inconsistent with law, which are then set forth in the articles of incorporation as theretofore amended, for the regulation of the internal affairs of the corporation.

(9) A statement that the restated articles of incorporation correctly set forth without change the corresponding provisions of the articles of incorporation as theretofore amended, and that the restated articles of incorporation supersede the original articles of incorporation and all amendments thereto.

Duplicate originals of the restated articles of incorporation shall be delivered to the Director of Finance. If the Director of Finance finds that such restated articles of incorporation conform to law, he shall, when all fees and franchise taxes have been paid as in this Act prescribed:

(a) Endorse on each of such duplicate originals the word "Filed," and the month, day and year of the filing thereof.

(b) File one of such duplicate originals in his office.

(c) Issue a restated certificate of incorporation to which he shall affix the other duplicate original.

The restated certificate of incorporation, together with the duplicate original of the restated articles of incorporation affixed thereto by the Director of Finance, shall be returned to the corporation or its representative.

Upon the issuance of the restated certificate of incorporation by the Director of Finance, the restated articles of incorporation shall become effective and shall supersede the original articles of incorporation and all amendments thereto.

**Sec. 60. Restriction on Redemption or Purchase of Redeemable Shares.** No redemption or purchase of redeemable shares shall be made by a corporation when it is insolvent or when such redemption or purchase would render it insolvent, or which would reduce the net assets below the aggregate amount payable to the holders of shares having prior or equal rights to the assets of the corporation upon involuntary dissolution.

**Sec. 61. Cancellation of Redeemable Shares by Redemption or Purchase.** When redeemable shares of a corporation are redeemed or purchased by the corporation, the redemption or purchase shall effect a cancellation of such shares, and a statement of cancellation shall be filed as provided in this section. Thereupon such shares shall be restored to the status of authorized but unissued shares, unless the articles of incorporation provide that such shares when redeemed or purchased shall not be reissued, in which case the filing of the statement of cancellation shall constitute an amendment to the articles of incorporation and shall reduce the number of shares of the class so cancelled which the cor-

poration is authorized to issue by the number of shares so cancelled.

The statement of cancellation shall be executed in duplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such statement, and shall set forth:

- (a) The name of the corporation.
- (b) The number of redeemable shares cancelled through redemption or purchase, itemized by classes and series.
- (c) The aggregate number of issued shares, itemized by classes and series, after giving effect to such cancellation.
- (d) The amount, expressed in dollars, of the stated capital of the corporation after giving effect to such cancellation.
- (e) If the articles of incorporation provide that the cancelled shares shall not be reissued, then the number of shares which the corporation has authority to issue, itemized by classes and series, after giving effect to such cancellation.

Duplicate originals of such statement shall be delivered to the Director of Finance. If the Director of Finance finds that such statement conforms to law, he shall, when all fees and franchise taxes have been paid as in this Act prescribed:

- (1) Endorse on each of such duplicate originals the word "Filed," and the month, day and year of the filing thereof.

- (2) File one of such duplicate originals in his office.

- (3) Return the other duplicate

original to the corporation or its representative.

Upon the filing of such statement of cancellation, the stated capital of the corporation shall be deemed to be reduced by that part of the stated capital which was, at the time of such cancellation, represented by the shares so cancelled.

Nothing contained in this section shall be construed to forbid a cancellation of shares or a reduction of stated capital in any other manner permitted by this Act.

**Sec. 62. Cancellation of Other Reacquired Shares.** A corporation may at any time, by resolution of its board of directors, cancel all or any part of the shares of the corporation of any class reacquired by it, other than redeemable shares redeemed or purchased, and in such event a statement of cancellation shall be filed as provided in this section.

The statement of cancellation shall be executed in duplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such statement, and shall set forth:

- (a) The name of the corporation.
- (b) The number of reacquired shares cancelled by resolution duly adopted by the board of directors, itemized by classes and series, and the date of its adoption.
- (c) The aggregate number of issued shares, itemized by classes and series, after giving effect to such cancellation.
- (d) The amount, expressed in dollars, of the stated capital of the corporation after giving effect to such cancellation.

Duplicate originals of such statement shall be delivered to the Director of Finance. If the Director of Finance finds that such statement conforms to law, he shall, when all fees and franchise taxes have been paid as in this Act prescribed:

(1) Endorse on each of such duplicate originals the word "Filed," and the month, day and year of the filing thereof.

(2) File one of such duplicate originals in his office.

(3) Return the other duplicate original to the corporation or its representative.

Upon the filing of such statement of cancellation, the stated capital of the corporation shall be deemed to be reduced by that part of the stated capital which was, at the time of such cancellation, represented by the shares so cancelled, and the shares so cancelled shall be restored to the status of authorized but unissued shares.

Nothing contained in this section shall be construed to forbid a cancellation of shares or a reduction of stated capital in any other manner permitted by this Act.

**Sec. 63. Reduction of Stated Capital in Certain Cases.** A reduction of the stated capital of a corporation, where such reduction is not accompanied by any action requiring an amendment of the articles of incorporation and not accompanied by a cancellation of shares, may be made in the following manner:

(a) The board of directors shall adopt a resolution setting forth the amount of the proposed reduction and the manner in which the reduction shall be effected, and directing that the question of such

reduction be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice, stating that the purpose or one of the purposes of such meeting is to consider the question of reducing the stated capital of the corporation in the amount and manner proposed by the board of directors, shall be given to each shareholder of record entitled to vote thereon within the time and in the manner provided in this Act for the giving of notice of meetings of shareholders.

(c) At such meeting a vote of the shareholders entitled to vote thereon shall be taken on the question of approving the proposed reduction of stated capital, which shall require for its adoption the affirmative vote of the holders of at least a majority of the shares entitled to vote thereon.

When a reduction of the stated capital of a corporation has been approved as provided in this section, a statement shall be executed in duplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such statement, and shall set forth:

(1) The name of the corporation.

(2) A copy of the resolution of the shareholders approving such reduction, and the date of its adoption.

(3) The number of shares outstanding, and the number of shares entitled to vote thereon.

(4) The number of shares voted for and against such reduction, respectively.

(5) A statement of the manner in which such reduction is effected, and a statement, expressed in dollars, of the amount of stated capital of the corporation after giving effect to such reduction.

Duplicate originals of such statement shall be delivered to the Director of Finance. If the Director of Finance finds that such statement conforms to law, he shall, when all fees and franchise taxes have been paid as in this Act prescribed:

a. Endorse on each of such duplicate originals the word "Filed," and the month, day and year of the filing thereof.

b. File one of such duplicate originals in his office.

c. Return the other duplicate original to the corporation or its representative.

Upon the filing of such statement, the stated capital of the corporation shall be reduced as therein set forth.

No reduction of stated capital shall be made under the provisions of this Section which would reduce the amount of the aggregate stated capital of the corporation to an amount equal to or less than the aggregate preferential amounts payable upon all issued shares having a preferential right in the assets of the corporation in the event of involuntary liquidation, plus the aggregate par value of all issued shares having a par value but no preferential right in the assets of the corporation in the event of involuntary liquidation.

**Sec. 64. Special Provisions Relating to Surplus and Reserves.** The surplus, if any, created by or arising out of a reduction of the stated

capital of a corporation shall be capital surplus.

The capital surplus of a corporation may be increased from time to time by resolution of the board of directors directing that all or a part of the earned surplus of the corporation be transferred to capital surplus.

A corporation may, by resolution of its board of directors, apply any part or all of its capital surplus to the reduction or elimination of any deficit arising from losses, however incurred, but only after first eliminating the earned surplus, if any, of the corporation by applying such losses against earned surplus and only to the extent that such losses exceed the earned surplus, if any. Each such application of capital surplus shall, to the extent thereof, effect a reduction of capital surplus.

A corporation may, by resolution of its board of directors, create a reserve or reserves out of its earned surplus for any proper purpose or purposes, and may abolish any such reserve in the same manner. Earned surplus of the corporation to the extent so reserved shall not be available for the payment of dividends or other distributions by the corporation except as expressly permitted by this Act.

**Sec. 65. Procedure for Merger.** Any two or more domestic corporations may merge into one of such corporations pursuant to a plan of merger approved in the manner provided in this Act.

The board of directors of each corporation shall, by resolution adopted by each such board, approve a plan of merger setting forth:

(a) The names of the corpora-

tions proposing to merge, and the name of the corporation into which they propose to merge, which is hereinafter designated as the surviving corporation.

(b) The terms and conditions of the proposed merger.

(c) The manner and basis of converting the shares of each merging corporation into shares or other securities or obligations of the surviving corporation.

(d) A statement of any changes in the articles of incorporation of the surviving corporation to be effected by such merger.

(e) Such other provisions with respect to the proposed merger as are deemed necessary or desirable.

**Sec. 66. Procedure for Consolidation.** Any two or more domestic corporations may consolidate into a new corporation pursuant to a plan of consolidation approved in the manner provided in this Act.

The board of directors of each corporation shall, by a resolution adopted by each such board, approve a plan of consolidation setting forth:

(a) The names of the corporations proposing to consolidate, and the name of the new corporation into which they propose to consolidate, which is hereinafter designated as the new corporation.

(b) The terms and conditions of the proposed consolidation.

(c) The manner and basis of converting the shares of each corporation into shares or other securities or obligations of the new corporation.

(d) With respect to the new corporation, all of the statements re-

quired to be set forth in articles of incorporation for corporations organized under this Act.

(e) Such other provisions with respect to the proposed consolidation as are deemed necessary or desirable.

**Sec. 67. Approval by Shareholders.** The board of directors of each corporation, upon approving such plan of merger or plan of consolidation, shall, by resolution, direct that the plan be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting. Written or printed notice shall be given to each shareholder of record entitled to vote at such meeting, not less than twenty days before such meeting, in the manner provided in this Act for the giving of notice of meetings of shareholders, and shall state the purpose of the meeting, whether the meeting be an annual or a special meeting. A copy or a summary of the plan of merger or plan of consolidation, as the case may be, shall be included in or enclosed with such notice.

At each such meeting, a vote of the shareholders shall be taken on the proposed plan of merger or consolidation. Each outstanding share of each such corporation shall be entitled to vote on the proposed plan of merger or consolidation, whether or not such share has voting rights under the provisions of the articles of incorporation of such corporation. The plan of merger or consolidation shall be approved upon receiving the affirmative vote of the holders of at least two-thirds of the outstanding shares of each such corporation, unless any class of shares of any such corporation is entitled to vote as a class thereon, in which event, as

to such corporation, the plan of merger or consolidation shall be approved upon receiving the affirmative vote of the holders of at least two-thirds of the outstanding shares of each class of shares entitled to vote as a class thereon and of the total outstanding shares. Any class of shares of any such corporation shall be entitled to vote as a class if the plan of merger or consolidation, as the case may be, contains any provision which, if contained in a proposed amendment to articles of incorporation would entitle such class of shares to vote as a class.

After such approval by a vote of the shareholders of each corporation, and at any time prior to the filing of the articles of merger or consolidation, the merger or consolidation may be abandoned pursuant to provisions therefor, if any, set forth in the plan of merger or consolidation.

**Sec 68. Articles of Merger or Consolidation.** Upon such approval, articles of merger or articles of consolidation shall be executed in duplicate by each corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers of each corporation signing such articles, and shall set forth:

(a) The plan of merger or the plan of consolidation.

(b) As to each corporation, the number of shares outstanding, and, if the shares of any class are entitled to vote as a class, the designation and number of outstanding shares of each such class.

(c) As to each corporation, the number of shares voted for and against such plan, respectively, and,

if the shares of any class are entitled to vote as a class, the number of shares of each such class voted for and against such plan, respectively.

Duplicate originals of the articles of merger or articles of consolidation shall be delivered to the Director of Finance. If the Director of Finance finds that such articles conform to law, he shall, when all fees and franchise taxes have been paid as in this Act prescribed:

(1) Endorse on each of such duplicate originals the word "Filed," and the month, day and year of the filing thereof.

(2) File one of such duplicate originals in his office.

(3) Issue a certificate of merger or a certificate of consolidation to which he shall affix the other duplicate original.

The certificate of merger or certificate of consolidation, together with the duplicate original of the articles of merger or articles of consolidation affixed thereto by the Director of Finance, shall be returned to the surviving or new corporation, as the case may be, or its representative.

**Sec. 69. Effect of Merger or Consolidation.** Upon the issuance of the certificate of merger or the certificate of consolidation by the Director of Finance, the merger or consolidation shall be effected.

When such merger or consolidation has been effected:

(a) The several corporations parties to the plan of merger or consolidation shall be a single corporation, which, in the case of a merger, shall be that corporation designated in the plan of merger as

the surviving corporation, and, in the case of a consolidation, shall be the new corporation provided for in the plan of consolidation.

(b) The separate existence of all corporations parties to the plan of merger or consolidation, except the surviving or new corporation, shall cease.

(c) Such surviving or new corporation shall have all the rights, privileges, immunities and powers and shall be subject to all the duties and liabilities of a corporation organized under this Act.

(d) Such surviving or new corporation shall thereupon and thereafter possess all the rights, privileges, immunities, and franchises, as well of a public as of a private nature, of each of the merging or consolidating corporations; and all property, real, personal and mixed, and all debts due on whatever account, including subscriptions to shares, and all other choses in action, and all and every other interest, of or belonging to or due to each of the corporations so merged or consolidated, shall be taken and deemed to be transferred to and vested in such single corporation without further act or deed; and the title to any real estate, or any interest therein, vested in any of such corporations shall not revert or be in any way impaired by reason of such merger or consolidation.

(e) Such surviving or new corporation shall thenceforth be responsible and liable for all the liabilities and obligations of each of the corporations so merged or consolidated; and any claim existing or action or proceeding pending by or against any of such corporations may be prosecuted as if such merger or consolidation had

not taken place, or such surviving or new corporation may be substituted in its place. Neither the rights of creditors nor any liens upon the property of any such corporation shall be impaired by such merger or consolidation.

(f) In the case of a merger, the articles of incorporation of the surviving corporation shall be deemed to be amended to the extent, if any, that changes in its articles of incorporation are stated in the plan of merger; and, in the case of a consolidation, the statements set forth in the articles of consolidation and which are required or permitted to be set forth in the articles of incorporation of corporations organized under this Act shall be deemed to be the original articles of incorporation of the new corporation.

(g) The net surplus of the merging or consolidating corporations which was available for the payment of dividends immediately prior to such merger or consolidation, to the extent that such surplus is not transferred to stated capital by the issuance of shares or otherwise, shall continue to be available for the payment of dividends by such surviving or new corporation.

**Sec. 70. Merger or Consolidation of Domestic and Foreign Corporations.** One or more foreign corporations and one or more domestic corporations may be merged or consolidated in the following manner, if such merger or consolidation is permitted by the laws of the state under which each such foreign corporation is organized:

(a) Each domestic corporation shall comply with the provisions of this Act with respect to the

merger or consolidation, as the case may be, of domestic corporations and each foreign corporation shall comply with the applicable provisions of the laws of the state under which it is organized.

(b) If the surviving or new corporation, as the case may be, is to be governed by the laws of any state other than Alaska, it shall comply with the provisions of this Act with respect to foreign corporations if it is to transact business in Alaska, and in every case it shall file with the Director of Finance of Alaska:

(1) an agreement that it may be served with process in Alaska in any proceeding for the enforcement of any obligation of any domestic corporation which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such domestic corporation against the surviving or new corporation;

(2) an irrevocable appointment of the Director of Finance of Alaska as its agent to accept service of process in any such proceeding; and

(3) an agreement that it will promptly pay to the dissenting shareholders of any such domestic corporation the amount, if any, to which they shall be entitled under the provisions of this Act with respect to the rights of dissenting shareholders.

The effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations, if the surviving or new

corporation is to be governed by the laws of Alaska. If the surviving or new corporation is to be governed by the laws of any state other than Alaska, the effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations except insofar as the laws of such other state provide otherwise.

**Sec. 71. Rights of Dissenting Shareholders in Mergers or Consolidations.** If a shareholder of a corporation which is a party to a merger or consolidation shall file with such corporation, prior to or at the meeting of shareholders at which the plan of merger or consolidation is submitted to a vote, a written objection to such plan of merger or consolidation, and shall not vote in favor thereof, and such shareholder, within ten days after the date on which the vote was taken, shall make written demand on the surviving or new corporation, domestic or foreign, for payment of the fair value of his shares as of the day prior to the date on which the vote was taken approving the merger or consolidation, then, if the merger or consolidation is affected, the surviving or new corporation shall pay to such shareholder, upon surrender of his certificate or certificates representing such shares, the fair value thereof. Such demand shall state the number and class of the shares owned by such dissenting shareholder. Any shareholder failing to make demand within the ten-day period shall be bound by the terms of the merger or consolidation.

Within ten days after the merger or consolidation is affected, the surviving or new corporation, as the case may be, shall give notice thereof to each dissenting share-

holder who has made demand as herein provided for the payment of the fair value of his shares.

If within thirty days after the date on which such merger or consolidation was effected the value of such shares is agreed upon between the dissenting shareholder and the surviving or new corporation, payment therefor shall be made within ninety days after the date on which such merger or consolidation was effected, upon the surrender of his certificate or certificates representing such shares. Upon payment of the agreed value the dissenting shareholder shall cease to have any interest in such shares or in the corporation.

If within such period of thirty days the shareholder and the surviving or new corporation do not so agree, then the dissenting shareholder may, within sixty days after the expiration of the thirty-day period, file a petition in any court of competent jurisdiction asking for a finding and determination of the fair value of such shares, and shall be entitled to judgment against the surviving or new corporation for the amount of such fair value as of the day prior to the date on which such vote was taken approving such merger or consolidation, together with interest thereon to the date of such judgment. The judgment shall be payable only upon and simultaneously with the surrender to the surviving or new corporation of the certificate or certificates representing such shares. Upon payment of the judgment, the dissenting shareholder shall cease to have any interest in such shares, or in the surviving or new corporation. Unless the dissenting shareholder shall file such petition within the time herein limited, such shareholder and all persons

claiming under him shall be bound by the terms of the merger or consolidation.

Shares acquired by the surviving or new corporation pursuant to the payment of the agreed value thereof or to payment of the judgment entered therefor, as in this section provided, may be held and disposed of by such corporation as in the case of other treasury shares.

The provisions of this section shall not apply to a merger if on the date of the filing of the articles of merger the surviving corporation is the owner of all the outstanding shares of the other corporations, domestic or foreign, that are parties to the merger.

**Sec. 72. Sale or Mortgage of Assets in Regular Course of Business.** The sale, lease, exchange, mortgage, pledge, or other disposition of all, or substantially all, the property and assets of a corporation, when made in the usual and regular course of the business of the corporation, may be made upon such terms and conditions and for such considerations, which may consist in whole or in part of money or property, real or personal, including shares of any other corporation, domestic or foreign, as shall be authorized by its board of directors; and in such case no authorization or consent of the shareholders shall be required.

**Sec. 73. Sale or Mortgage of Assets Other Than in Regular Course of Business.** A sale, lease, exchange, mortgage, pledge, or other disposition of all, or substantially all, the property and assets, with or without the good will, of a corporation, if not made in the usual and regular course of its business, may be made upon such terms and conditions and for such

consideration, which may consist in whole or in part of money or property, real or personal, including shares of any other corporation, domestic or foreign, as may be authorized in the following manner:

(a) The Board of directors shall adopt a resolution recommending such sale, lease, exchange, mortgage, pledge, or other disposition and directing the submission thereof to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice shall be given to each shareholder of record entitled to vote at such meeting within the time and in the manner provided in this Act for the giving of notice of meetings of shareholders, and, whether the meeting be an annual or a special meeting, shall state that the purpose, or one of the purposes, of such meeting is to consider the proposed sale, lease, exchange, mortgage, pledge, or other disposition.

(c) At such meeting the shareholders may authorize such sale, lease, exchange, mortgage, pledge, or other disposition and may fix, or may authorize the board of directors to fix, any or all of the terms and conditions thereof and the consideration to be received by the corporation therefor. Each outstanding share of the corporation shall be entitled to vote thereon, whether or not entitled to vote thereon by the provisions of the articles of incorporation. Such authorization shall require the affirmative vote of the holders of at least two-thirds of the outstanding shares of the corporation, unless any class of shares is entitled to vote as a class thereon, in which event such authorization

shall require the affirmative vote of the holders of at least two-thirds of the outstanding shares of each class of shares entitled to vote as a class thereon and of the total outstanding shares.

(d) After such authorization by a vote of shareholders, the board of directors nevertheless, in its discretion, may abandon such sale, lease, exchange, mortgage, pledge, or other disposition of assets, subject to the rights of third parties under any contracts relating thereto, without further action or approval by shareholders.

**Sec. 74. Rights of Dissenting Shareholders Upon Sale or Exchange of Assets.**

In the event that a sale or exchange of all or substantially all of the property and assets of a corporation otherwise than in the usual and regular course of its business, or in connection with the dissolution and liquidation of the corporation, is authorized by a vote of the shareholders of the corporation, any shareholder who shall have filed with the corporation a written objection thereto, prior to or at the meeting of shareholders at which the sale or exchange is authorized, and who shall not have voted in favor thereof, may, within ten days after the date on which the vote was taken, make written demand on the corporation for the payment to him of the fair value of his shares as of the day prior to the date on which the vote was taken. If the sale or exchange is effected, the corporation shall pay to such shareholder, upon surrender of his certificate or certificates representing such shares, the fair value thereof. Such demand shall state the number and class of the shares owned by such dissenting shareholder. Any shareholder failing to make demand

within the ten-day period shall be bound by the terms of the sale or exchange.

Within ten days after the sale or exchange is effected, the corporation shall give notice thereof to each dissenting shareholder who has made demand as herein provided for the payment of the fair value of his shares.

If within thirty days after the date on which the sale or exchange was effected the value of such shares is agreed upon between the dissenting shareholder and the corporation, payment therefor shall be made within ninety days after the date on which the sale or exchange was effected, upon the surrender of his certificate or certificates representing such shares. Upon payment of the agreed value, the dissenting shareholder shall cease to have any interest in such shares or in the corporation.

If within such period of thirty days the shareholder and the corporation do not so agree, then the dissenting shareholder may, within sixty days after the expiration of the thirty-day period, file a petition in any court of competent jurisdiction asking for a finding and determination of the fair value of such shares, and shall be entitled to judgment against the corporation for the amount of such fair value as of the day prior to the date on which such vote was taken approving such sale or exchange, together with interest thereon to the date of such judgment. The judgment shall be payable only upon and simultaneously with the surrender to the corporation of the certificate or certificates representing such shares. Upon payment of the judgment, the dissenting shareholder shall cease to have any in-

terest in such shares or in the corporation. Unless the dissenting shareholder shall file such petition within the time herein limited, such shareholder and all persons claiming under him shall be bound by the terms of the sale or exchange.

The right of a dissenting shareholder to be paid the fair value of his shares as herein provided shall cease if and when the corporation shall abandon the sale or exchange or the shareholders shall revoke the authority to make such sale or exchange.

Shares acquired by the corporation pursuant to the payment of the agreed value thereof or to payment of the judgment entered therefor, as in this section provided, may be held and disposed of by the corporation as in the case of other treasury shares.

**Sec. 75. Voluntary Dissolution by Incorporators.** A corporation which has not commenced business and which has not issued any shares, may be voluntarily dissolved by its incorporators at any time within two years after the date of the issuance of its certificate of incorporation, in the following manner:

(a) Articles of dissolution shall be executed in duplicate by a majority of the incorporators, and verified by them, and shall set forth:

- (1) The name of the corporation.
- (2) The date of issuance of its certificate of incorporation.
- (3) That none of its shares has been issued.
- (4) That the corporation has not commenced business.
- (5) That the amount, if any,

actually paid in on subscriptions for its shares, less any part thereof of disbursed for necessary expenses, has been returned to those entitled thereto.

(6) That no debts of the corporation remain unpaid.

(7) That a majority of the incorporators elect that the corporation be dissolved.

(b) Duplicate originals of the articles of dissolution shall be delivered to the Director of Finance. If the Director of Finance finds that the articles of dissolution conform to law, he shall, when all fees and franchise taxes have been paid as in this Act prescribed:

(1) Endorse on each of such duplicate originals the word "Filed," and the month, day and year of the filing thereof.

(2) File one of such duplicate originals in his office.

(3) Issue a certificate of dissolution to which he shall affix the other duplicate original.

The certificate of dissolution, together with the duplicate original of the articles of dissolution affixed thereto by the Director of Finance, shall be returned to the incorporators or their representative. Upon the issuance of such certificate of dissolution by the Director of Finance, the existence of the corporation shall cease.

**Sec. 76. Voluntary Dissolution by Consent of Shareholders.** A corporation may be voluntarily dissolved by the written consent of all of its shareholders.

Upon the execution of such written consent, a statement of intent to dissolve shall be executed in duplicate by the corporation by

its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such statement, which statement shall set forth:

(a) The name of the corporation.

(b) The names and respective addresses of its officers.

(c) The names and respective addresses of its directors.

(d) A copy of the written consent signed by all shareholders of the corporation.

(e) A statement that such written consent has been signed by all shareholders of the corporation or signed in their names by their attorneys thereunto duly authorized.

**Sec. 77. Voluntary Dissolution by Act of Corporation.** A corporation may be dissolved by the act of the corporation, when authorized in the following manner:

(a) The board of directors shall adopt a resolution recommending that the corporation be dissolved, and directing that the question of such dissolution be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice shall be given to each shareholder of record entitled to vote at such meeting within the time and in the manner provided in this Act for the giving of notice of meetings of shareholders, and, whether the meeting be an annual or special meeting, shall state that the purpose, or one of the purposes, of such meeting is to consider the advisability of dissolving the corporation.

(c) At such meeting a vote of shareholders entitled to vote there-

at shall be taken on a resolution to dissolve the corporation. Each outstanding share of the corporation shall be entitled to vote thereon, whether or not entitled to vote thereon by the provisions of the articles of incorporation. Such resolution shall be adopted upon receiving the affirmative vote of the holders of at least two-thirds of the outstanding shares of the corporation, unless any class of shares is entitled to vote as a class thereon, in which event the resolution shall require for its adoption the affirmative vote of the holders of at least two-thirds of the outstanding shares of each class of shares entitled to vote as a class thereon, and of the total outstanding shares.

(d) Upon the adoption of such resolution, a statement of intent to dissolve shall be executed in duplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such statement, which statement shall set forth:

(1) The name of the corporation.

(2) The names and respective addresses of its officers.

(3) The names and respective addresses of its directors.

(4) A copy of the resolution adopted by the shareholders authorizing the dissolution of the corporation.

(5) The number of shares outstanding, and, if the shares of any class are entitled to vote as a class, the designation and number of outstanding shares of each such class.

(6) The number of shares voted for and against the resolution,

respectively, and, if the shares of any class are entitled to vote as a class, the number of shares of each such class voted for and against the resolution, respectively.

**Sec. 78. Filing of Statement of Intent to Dissolve.** Duplicate originals of the statement of intent to dissolve, whether by consent of shareholders or by act of the corporation, shall be delivered to the Director of Finance. If the Director of Finance finds that such statement conforms to law, he shall, when all fees and franchise taxes have been paid as in this Act prescribed:

(a) Endorse on each of such duplicate originals the word "Filed," and the month, day and year of the filing thereof.

(b) File one of such duplicate originals in his office.

(c) Return the other duplicate original to the corporation or its representative.

**Sec. 79. Effect of Statement of Intent to Dissolve.** Upon the filing by the Director of Finance of a statement of intent to dissolve, whether by consent of shareholders or by act of the corporation, the corporation shall cease to carry on its business, except insofar as may be necessary for the winding up thereof, but its corporate existence shall continue until a certificate of dissolution has been issued by the Director of Finance or until a decree dissolving the corporation has been entered by a court of competent jurisdiction as in this Act provided.

**Sec. 80. Procedure After Filing of Statement of Intent to Dissolve.** After the filing by the Director of

Finance of a statement of intent to dissolve:

(a) The corporation shall immediately cause notice thereof to be mailed to each known creditor of the corporation.

(b) The corporation shall proceed to collect its assets convey and dispose of such of its properties as are not to be distributed in kind to its shareholders, pay, satisfy and discharge its liabilities and obligations and do all other acts required to liquidate its business and affairs, and, after paying or adequately providing for the payment of all its obligations, distribute the remainder of its assets, either in cash or in kind, among its shareholders according to their respective rights and interests.

(c) The corporation, at any time during the liquidation of its business and affairs may make application to a court of competent jurisdiction within the state and judicial subdivision in which the registered office or principal place of business of the corporation is situated, to have the liquidation continued under the supervision of the court as provided in this Act.

**Sec. 81. Revocation of Voluntary Dissolution Proceedings by Consent of Shareholders.** By the written consent of all of its shareholders, a corporation may, at any time prior to the issuance of a certificate of dissolution by the Director of Finance, revoke voluntary dissolution proceedings theretofore taken, in the following manner:

Upon the execution of such written consent, a statement of revocation of voluntary dissolution proceedings shall be executed in duplicate by the corporation by its president or a vice president and

by its secretary or an assistant secretary, and verified by one of the officers signing such statement, which statement shall set forth:

(a) The name of the corporation.

(b) The names and respective addresses of its officers.

(c) The names and respective addresses of its directors.

(d) A copy of the written consent signed by all shareholders of the corporation revoking such voluntary dissolution proceedings.

(e) That such written consent has been signed by all shareholders of the corporation or signed in their names by their attorneys thereunto duly authorized.

**Sec. 82. Revocation of Voluntary Dissolution Proceedings by Act of Corporation.** By the act of the corporation, a corporation may, at any time prior to the issuance of a certificate of dissolution by the Director of Finance, revoke voluntary dissolution proceedings theretofore taken, in the following manner:

(a) The board of directors shall adopt a resolution recommending that the voluntary dissolution proceedings be revoked, and directing that the question of such revocation be submitted to a vote at a special meeting of shareholders.

(b) Written or printed notice, stating that the purpose or one of the purposes of such meeting is to consider the advisability of revoking the voluntary dissolution proceedings, shall be given to each shareholder of record entitled to vote at such meeting within the time and in the manner provided in this Act for the giving of notice of special meetings of shareholders.

(c) At such meeting a vote of the shareholders entitled to vote thereat shall be taken on a resolution to revoke the voluntary dissolution proceedings, which shall require for its adoption the affirmative vote of the holders of at least two-thirds of the outstanding shares.

(d) Upon the adoption of such resolution, a statement of revocation of voluntary dissolution proceedings shall be executed in duplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such statement, which statement shall set forth:

- (1) The name of the corporation.
- (2) The names and respective addresses of its officers.
- (3) The names and respective addresses of its directors.
- (4) A copy of the resolution adopted by the shareholders revoking the voluntary dissolution proceedings.
- (5) The number of shares outstanding.
- (6) The number of shares voted for and against the resolution, respectively.

**Sec. 83. Filing of Statement of Revocation of Voluntary Dissolution Proceedings.** Duplicate originals of the statement of revocation of voluntary dissolution proceedings, whether by consent of shareholders or by act of the corporation, shall be delivered to the Director of Finance. If the Director of Finance finds that such statement conforms to law, he shall, when all fees and franchise taxes have been paid as in this Act prescribed:

(a) Endorse on each of such duplicate originals the word "Filed," and the month, day and year of the filing thereof.

(b) File one of such duplicate originals in his office.

(c) Return the other duplicate original to the corporation or its representative.

**Sec. 84. Effect of Statement of Revocation of Voluntary Dissolution Proceedings.** Upon the filing by the Director of Finance of a statement of revocation of voluntary dissolution proceedings, whether by consent of shareholders or by Act of the corporation, the revocation of the voluntary dissolution proceedings shall become effective and the corporation may again carry on its business.

**Sec. 85. Articles of Dissolution.** If voluntary dissolution proceedings have not been revoked, then when all debts, liabilities, and obligations of the corporation have been paid and discharged, or adequate provision has been made therefor, and all of the remaining property and assets of the corporation have been distributed to its shareholders, articles of dissolution shall be executed in duplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such statement, which statement shall set forth:

- (a) The name of the corporation.
- (b) That the Director of Finance has theretofore filed a statement of intent to dissolve the corporation, and the date on which such statement was filed.
- (c) That all debts, obligations and liabilities of the corporation

have been paid and discharged or that adequate provision has been made therefor.

(d) That all the remaining property and assets of the corporation have been distributed among its shareholders in accordance with their respective rights and interests.

(e) That there are no suits pending against the corporation in any court, or that adequate provision has been made for the satisfaction of any judgment, order or decree which may be entered against it in any pending suit.

**Sec. 86. Filing of Articles of Dissolution.** Duplicate originals of such articles of dissolution shall be delivered to the Director of Finance. If the Director of Finance finds that such articles of dissolution conform to law, he shall, when all fees and franchise taxes have been paid as in this Act prescribed:

(a) Endorse on each of such duplicate originals the word "Filed," and the month, day and year of the filing thereof.

(b) File one of such duplicate originals in his office.

(c) Issue a certificate of dissolution to which he shall affix the other duplicate original.

The certificate of dissolution, together with the duplicate original of the articles of dissolution affixed thereto by the Director of Finance, shall be returned to the representative of the dissolved corporation. Upon the issuance of such certificate of dissolution the existence of the corporation shall cease, except for the purpose of suits, other proceedings and appropriate corporate action by shareholders, directors and officers as provided in this Act.

**Sec. 87. Involuntary Dissolution.** A corporation may be dissolved involuntarily by a decree of the district court in an action filed by the Attorney General when it is established that:

(a) The corporation has failed to file its annual report within the time required by this Act, or has failed to pay its franchise tax on or before the first day of August of the year in which such franchise tax becomes due and payable; or

(b) The corporation procured its articles of incorporation through fraud; or

(c) The corporation has continued to exceed or abuse the authority conferred upon it by law; or

(d) The corporation has failed for thirty days to appoint and maintain a registered agent in Alaska; or

(e) The corporation has failed for thirty days after change of its registered office or registered agent to file in the office of the Director of Finance a statement of such change.

**Sec. 88. Notification to Attorney General.** The Director of Finance, on or before the first day of July of each year, shall certify to the Attorney General the names of all corporations which have failed to file their annual reports or to pay franchise taxes in accordance with the provisions of this Act, together with the facts pertinent thereto. He shall also certify, from time to time, the names of all corporations which have given other cause for dissolution as provided in this Act, together with the facts pertinent thereto. Whenever the Director of Finance shall certify the name of a corporation to the Attorney

General as having given any cause for dissolution, the Director of Finance shall concurrently mail to the corporation at its registered office a notice that such certification has been made. Upon the receipt of such certification, the Attorney General shall file an action in the name of Alaska against such corporation for its dissolution. Every such certificate from the Director of Finance to the Attorney General pertaining to the failure of a corporation to file an annual report or pay a franchise tax shall be taken and received in all courts as prima facie evidence of the facts therein stated. If, before action is filed, the corporation shall file its annual report or pay its franchise tax, together with all penalties thereon, or shall appoint or maintain a registered agent as provided in this Act, or shall file with the Director of Finance the required statement of change of registered office or registered agent, such fact shall be forthwith certified by the Director of Finance to the Attorney General and he shall not file an action against such corporation for such cause. If, after action is filed, the corporation shall file its annual report or pay its franchise tax, together with all penalties thereon, or shall appoint or maintain a registered agent as provided in this Act, or shall file with the Director of Finance the required statement of change of registered office or registered agent, and shall pay the costs of such action, the action for such cause shall abate.

**Sec. 89. Venue and Process.** Every action for the involuntary dissolution of a corporation shall be commenced by the Attorney General in the United States District Court, or other court of competent jurisdiction if Alaska becomes a state,

of the division or borough in which the registered office of the corporation is situated. Summons shall issue and be served as in other civil actions. If process is returned not found, the Attorney General shall cause publication to be made as in other civil cases in some newspaper published in the division where the registered office of the corporation is situated, containing a notice of the pendency of such action, the title of the court, the title of the action, and the date on or after which default may be entered. The Attorney General may include in one notice the names of any number of corporations against which actions are then pending in the same court. The Attorney General shall cause a copy of such notice to be mailed to the corporation at its registered office within ten days after the first publication thereof. Such notice shall be published at least once each week for two successive weeks, and the first publication thereof may begin at any time after the summons has been returned. Unless a corporation shall have been served with summons, no default shall be taken against it earlier than thirty days after the first publication of such notice.

**Sec. 90. Jurisdiction of Court to Liquidate Assets and Business of Corporation.** The United States District Court or other court of competent jurisdiction if Alaska becomes a State shall have full power to liquidate the assets and business of a corporation:

(a) In an action by a shareholder when it is established:

(1) That the directors are deadlocked in the management of the corporate affairs and the shareholders are unable to break the

deadlock, and that irreparable injury to the corporation is being suffered or is threatened by reason thereof; or

(2) That the acts of the directors or those in control of the corporation are illegal, oppressive or fraudulent; or

(3) That the shareholders are deadlocked in voting power, and have failed, for a period which includes at least two consecutive annual meeting dates, to elect successors to directors whose terms have expired or would have expired upon the election of their successors; or

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

(b) In an action by a creditor:

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

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

(c) Upon application by a corporation which has filed a statement of intent to dissolve, as provided in this Act, to have its liquidation continued under the supervision of the court.

(d) When an action has been filed by the Attorney General to dissolve a corporation and it is established that liquidation of its business and affairs should precede the entry of a decree of dissolution.

Proceedings under clause (a), (b) or (c) of this section shall be

brought in the division in which the registered office or the principal office of the corporation is situated.

It shall not be necessary to make shareholders parties to any such action or proceeding unless relief is sought against them personally.

**Sec. 91. Procedure in Liquidation of Corporation by Court.** In proceedings to liquidate the assets and business of a corporation the court shall have power to issue injunctions, to appoint a receiver or receivers *pendente lite*, with such powers and duties as the court, from time to time, may direct, and to take such other proceedings as may be requisite to preserve the corporate assets wherever situated, and carry on the business of the corporation until a full hearing can be had.

After a hearing had upon such notice as the court may direct to be given to all parties to the proceedings and to any other parties in interest designated by the court, the court may appoint a liquidating receiver or receivers with authority to collect the assets of the corporation, including all amounts owing to the corporation by shareholders on account of any unpaid portion of the consideration for the issuance of shares. Such liquidating receiver or receivers shall have authority, subject to the order of the court, to sell, convey and dispose of all or any part of the assets of the corporation wherever situated, either at public or private sale. The assets of the corporation or the proceeds resulting from a sale, conveyance or other disposition thereof shall be applied to the expenses of such liquidation and to the payment of the liabilities and obligations of

the corporation, and any remaining assets or proceeds shall be distributed among its shareholders according to their respective rights and interests. The order appointing such liquidating receiver or receivers shall state their powers and duties. Such powers and duties may be increased or diminished at any time during the proceedings.

The court shall have power to allow from time to time as expenses of the liquidation compensation to the receiver or receivers and to attorneys in the proceeding, and to direct the payment thereof out of the assets of the corporation or the proceeds of any sale or disposition of such assets.

A receiver of a corporation appointed under the provisions of this section shall have authority to sue and defend in all courts in his own name as receiver of such corporation. The court appointing such receiver shall have exclusive jurisdiction of the corporation and its property, wherever situated.

**Sec. 92. Qualifications of Receivers.** A receiver shall in all cases be a citizen of the United States or a corporation authorized to act as receiver, which corporation may be a domestic corporation or a foreign corporation authorized to transact business in Alaska and shall in all cases give such bond as the court may direct with such sureties as the court may require.

**Sec. 93. Filing of Claims in Liquidation Proceedings.** In proceedings to liquidate the assets and business of a corporation the court may require all creditors of the corporation to file with the clerk of the court or with the receiver, in such form as the court may prescribe, proofs under oath of their respective claims. If the court re-

quires the filing of claims it shall fix a date, which shall be not less than four months from the date of the order, as the last day for the filing of claims, and shall prescribe the notice that shall be given to creditors and claimants of the date so fixed. Prior to the date so fixed, the court may extend the time for the filing of claims. Creditors and claimants failing to file proofs of claim on or before the date so fixed may be barred, by order of court, from participating in the distribution of the assets of the corporation.

**Sec. 94. Discontinuance of Liquidation Proceedings.** The liquidation of the assets and business of a corporation may be discontinued at any time during the liquidation proceedings when it is established that cause for liquidation no longer exists. In such event the court shall dismiss the proceedings and direct the receiver to redeliver to the corporation all its remaining property and assets.

**Sec. 95. Decree of Involuntary Dissolution.** In proceedings to liquidate the assets and business of a corporation, when the costs and expenses of such proceedings and all debts, obligations and liabilities of the corporation shall have been paid and discharged and all of its remaining property and assets are not sufficient to satisfy and discharge such costs, expenses, debts and obligations, all the property and assets have been applied so far as they will go to their payment, the court shall enter a decree dissolving the corporation, whereupon the existence of the corporation shall cease.

**Sec. 96. Filing of Decree of Dissolution.** In case the court shall enter a decree dissolving a corporation, it shall be the duty of the

clerk of such court to cause a certified copy of the decree to be filed with the Director of Finance. No fee shall be charged by the Director of Finance for the filing thereof.

**Sec. 97. Deposit With Alaska Treasurer of Amount Due Certain Shareholders.**

Upon the voluntary or involuntary dissolution of a corporation, the portion of the assets distributable to a creditor or shareholder who is unknown or cannot be found, or who is under disability and there is no person legally competent to receive such distributive portion, shall be reduced to cash and deposited with the Treasurer of Alaska and shall be paid over to such creditor or shareholder or to his legal representative upon proof satisfactory to the Treasurer of Alaska of his right thereto.

**Sec. 98. Survival of Remedy After Dissolution.**

The dissolution of a corporation either (1) by the issuance of a certificate of dissolution by the Director of Finance, or (2) by a decree of court when the court has not liquidated the assets and business of the corporation as provided in this Act, or (3) by expiration of its period of duration, shall not take away or impair any remedy available to or against such corporation, its directors, officers, or shareholders, for any right or claim existing, or any liability incurred, prior to such dissolution if action or other proceeding thereon is commenced within two years after the date of such dissolution. Any such action or proceeding by or against the corporation may be prosecuted or defended by the corporation in its corporate name. The shareholders, directors and officers shall have power to take such corporate or other action as shall be appropriate to protect such

remedy, right or claim. If such corporation was dissolved by the expiration of its period of duration, such corporation may amend its articles of incorporation at any time during such period of two years so as to extend its period of duration.

**Sec. 99. Admission of Foreign Corporation.**

No foreign corporation shall have the right to transact business in Alaska until it shall have procured a certificate of authority so to do from the Director of Finance. No foreign corporation shall be entitled to procure a certificate of authority under this Act to transact in Alaska any business which a corporation organized under this Act is not permitted to transact. A foreign corporation shall not be denied a certificate of authority by reason of the fact that the laws of the state or country under which such corporation is organized governing its organization and internal affairs differ from the laws of Alaska, and nothing in this Act contained shall be construed to authorize Alaska to regulate the organization or the internal affairs of such corporation.

Without excluding other activities which may not constitute transacting business in Alaska, a foreign corporation shall not be considered to be transacting business in Alaska, for the purposes of this Act, by reason of carrying on in Alaska any one or more of the following activities:

(a) Maintaining or defending any action or suit or any administrative or arbitration proceeding, or effecting the settlement thereof or the settlement of claims or disputes.

(b) Holding meetings of its directors or shareholders or carrying

on other activities concerning its internal affairs.

(c) Maintaining bank accounts.

(d) Maintaining offices or agencies for the transfer, exchange and registration of its securities, or appointing and maintaining trustees or depositaries with relation to its securities.

(e) Effecting sales through independent contractors.

(f) Soliciting or procuring orders, whether by mail or through employees or agents or otherwise, where such orders require acceptance without Alaska before becoming binding contracts.

(g) Creating evidences of debt, mortgages, or liens on real or personal property.

(h) Securing or collecting debts or enforcing any rights in property securing the same.

(i) Transacting any business in interstate commerce.

(j) Conducting an isolated transaction completed within a period of thirty days and not in the course of a number of repeated transactions of like nature.

**Sec. 100. Powers of Foreign Corporation.** A foreign corporation which shall have received a certificate of authority under this Act shall, until a certificate of revocation or of withdrawal shall have been issued as provided in this Act, enjoy the same, but no greater, rights and privileges as a domestic corporation organized for the purposes set forth in the application pursuant to which such certificate of authority is issued; and, except as this Act otherwise provided, shall be subject to the same duties, restrictions, penalties and liabilities

now or hereafter imposed upon a domestic corporation of like character.

**Sec. 101. Corporate Name of Foreign Corporation.** No certificate of authority shall be issued to a foreign corporation unless the corporate name of such corporation:

(a) Shall contain the word "corporation," "company," "incorporated," or "limited," or shall contain an abbreviation of one of such words, or such corporation shall, for use in Alaska, add at the end of its name one of such words or an abbreviation thereof.

(b) Shall not contain any word or phrase which indicates or implies that it is organized for any purpose other than one or more of the purposes contained in its articles of incorporation or that it is authorized or empowered to conduct the business of banking or insurance.

(c) Shall not be the same as, or deceptively similar to, the name of any domestic corporation existing under the laws of Alaska or any foreign corporation authorized to transact business in Alaska, or a name the exclusive right to which is, at the time reserved in the manner provided in this Act, or the name of a corporation which has in effect a registration of its name as provided in this Act.

**Sec. 102. Change of Name by Foreign Corporation.** Whenever a foreign corporation which is authorized to transact business in Alaska shall change its name to one under which a certificate of authority would not be granted to it on application therefor, the certificate of authority of such corporation shall be suspended and it shall not thereafter transact any busi-

ness in Alaska until it has changed its name to a name which is available to it under the laws of Alaska.

**Section 103. Application for Certificate of Authority.** A foreign corporation, in order to procure a certificate of authority to transact business in Alaska, shall make application in duplicate therefor to the Director of Finance, which application shall set forth:

(a) The name of the corporation and the state or country under the laws of which it is incorporated.

(b) If the name of the corporation does not contain the word "corporation," "company," "incorporated," or "limited," or does not contain an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it elects to add thereto for use in Alaska.

(c) The date of incorporation and the period of duration of the corporation.

(d) The address of the principal office of the corporation in the state or country under the laws of which it is incorporated.

(e) The address of the proposed registered office of the corporation in Alaska, and the name of its proposed registered agent in Alaska at such address.

(f) The purpose or purposes of the corporation which it proposes to pursue in the transaction of business in Alaska.

(g) The names and respective addresses of the director and officers of the corporation.

(h) A statement of the aggregate number of shares which the corporation has authority to issue,

itemized by classes par value of shares, shares without par value, and series, if any within a class.

(i) A statement of the aggregate number of issued shares itemized by classes, par value of shares, shares without par value, and series, if any, within a class.

(j) A statement expressed in dollars, of the amount of stated capital of the corporation, as defined in this Act.

(k) An estimate expressed in dollars, of the value of all property to be owned by the corporation for the following year, wherever located and an estimate of the value of the property of the corporation to be located within Alaska during such year, and an estimate, expressed in dollars, of the gross amount of business which will be transacted by the corporation during such year, and an estimate of the gross amount thereof which will be transacted by the corporation at or from places of business in Alaska during such year.

(1) Such additional information as may be necessary or appropriate in order to enable the Director of Finance to determine whether such corporation is entitled to a certificate of authority to transact business in Alaska and to determine and assess the fees and franchise taxes payable as in this Act prescribed.

Such application shall be made on forms prescribed and furnished by the Director of Finance and shall be executed in duplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such application.

**Sec. 104. Filing of Application for**

**Certificate of Authority.** If the Director of Finance finds that such application conforms to law, he shall, when all fees and franchise taxes have been paid as in this Act prescribed:

(a) Endorse on each of such documents the word "Filed," and the month, day and year of the filing thereof.

(b) File in his office one of such duplicate originals of the application.

(c) Issue a certificate of authority to transact business in Alaska to which he shall affix the other duplicate original application.

The certificate of authority, together with the duplicate original of the application affixed thereto by the Director of Finance, shall be returned to the corporation or its representative.

**Sec. 105. Effect of Certificate of Authority.** Upon the issuance of a certificate of authority by the Director of Finance, the corporation shall be authorized to transact business in Alaska for those purposes set forth in its application, subject, however, to the right of Alaska to suspend or revoke such authority as provided in this Act.

**Sec. 106. Registered Office and Registered Agent of Foreign Corporation.** Each foreign corporation authorized to transact business in Alaska shall have and continuously maintain in Alaska:

(a) A registered office which may be, but need not be, the same as its place of business in Alaska.

(b) A registered agent, which agent may be either an individual resident in Alaska whose business office is identical with such regis-

tered office, or a domestic corporation, or a foreign corporation authorized to transact business in Alaska, having a business office identical with such registered office.

**Sec. 107. Change of Registered Office or Registered Agent of Foreign Corporation.** A foreign corporation authorized to transact business in Alaska may change its registered office or change its registered agent, or both, upon filing in the office of the Director of Finance a statement setting forth:

(a) The name of the corporation.

(b) The address of its then registered office.

(c) If the address of its registered office be changed, the address to which the registered office is to be changed.

(d) The name of its then registered agent.

(e) If its registered agent be changed, the name of its successor registered agent.

(f) That the address of its registered office and the address of the business office of its registered agent, as changed, will be identical.

(g) That such change was authorized by resolution duly adopted by its board of directors.

Such statement shall be executed by the corporation by its president or a vice president, and verified by him, and delivered to the Director of Finance. If the Director of Finance finds that such statement conforms to the provisions of this Act, he shall file such statement in his office, and upon such filing the change of address of the registered office, or the appointment of a new registered agent, or both, as

the case may be, shall become effective.

**Sec. 108. Service of Process on Foreign Corporation.** The registered agent so appointed by a foreign corporation authorized to transact business in Alaska shall be an agent of such corporation upon whom any process, notice or demand required or permitted by law to be served upon the corporation may be served.

Whenever a foreign corporation authorized to transact business in Alaska shall fail to appoint or maintain a registered agent in Alaska, or whenever any such registered agent cannot with reasonable diligence be found at the registered office, or whenever the certificate of authority of a foreign corporation shall be suspended or revoked, then the Director of Finance shall be an agent of such corporation upon whom any such process, notice, or demand may be served. Service on the Director of Finance of any such process, notice, or demand shall be made by delivering to and leaving with him, or with any clerk having charge of the corporation department of his office, duplicate copies of such process, notice or demand. In the event any such process, notice or demand is served on the Director of Finance, he shall immediately cause one of such copies thereof to be forwarded by registered or certified mail, addressed to the corporation at its principal office in the state or country under the laws of which it is incorporated. Any service so had on the Director of Finance shall be returnable in not less than thirty days.

The Director of Finance shall keep a record of all processes, notices or demands served upon him

under this section, and shall record therein the time of such service and his action with reference thereto.

Nothing herein contained shall limit or affect the right to serve any process, notice or demand, required or permitted by law to be served upon a corporation in any other manner now or hereafter permitted by law.

**Sec. 109. Amendment to Articles of Incorporation of Foreign Corporation.** Whenever the articles of incorporation of a foreign corporation authorized to transact business in Alaska are amended, such foreign corporation shall, within thirty days after such amendment becomes effective, file in the office of the Director of Finance a copy of such amendment duly authenticated by the proper officer of the state or country under the laws of which it is incorporated; but the filing thereof shall not of itself enlarge or alter the purpose of purposes which such corporation is authorized to pursue in the transaction of business in Alaska, nor authorize such corporation to transact business in Alaska under any other name than the name set forth in its certificate of authority.

**Sec. 110. Merger of Foreign Corporation Authorized to Transact Business in Alaska.** Whenever a foreign corporation authorized to transact business in Alaska shall be a party to a statutory merger permitted by the laws of the state or country under the laws of which it is incorporated, and such corporation shall be the surviving corporation, it shall, within thirty days after such merger becomes effective, file with the Director of Finance a copy of the articles of merger duly authenticated by the proper officer of the state or country under the

laws of which such statutory merger was effected; and it shall not be necessary for such corporation to procure either a new or amended certificate of authority to transact business in Alaska unless the name of such corporation be changed thereby or unless the corporation desires to pursue in Alaska other or additional purposes than those which it is then authorized to transact in Alaska.

**Sec. 111. Amended Certificate of Authority.** A foreign corporation authorized to transact business in Alaska shall procure an amended certificate of authority in the event it changes its corporate name, or desires to pursue in Alaska other or additional purposes than those set forth in its prior application for a certificate of authority, by making application therefor to the Director of Finance.

**Sec. 112. Withdrawal of Foreign Corporation.** A foreign corporation authorized to transact business in Alaska may withdraw from Alaska upon procuring from the Director of Finance a certificate of withdrawal. In order to procure such certificate of withdrawal, such foreign corporation shall deliver to the Director of Finance an application for withdrawal, which shall set forth:

(a) The name of the corporation and the state or country under the laws of which it is incorporated.

(b) That the corporation is not transacting business in Alaska.

(c) That the corporation surrenders its authority to transact business in Alaska.

(d) That the corporation revokes the authority of its registered agent in Alaska to accept service of process and consents that service of

process in any action, suit or proceeding based upon any cause of action arising in Alaska during the time the corporation was authorized to transact business in Alaska may thereafter be made on such corporation by service thereof on the Director of Finance.

(e) A post-office address to which the Director of Finance may mail a copy of any process against the corporation that may be served on him.

(f) A statement of the aggregate number of shares which the corporation has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class, as of the date of such application.

(g) A statement of the aggregate number of issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class, as of the date of such application.

(h) A statement, expressed in dollars, of the amount of stated capital of the corporation, as of the date of such application.

(i) Such additional information as may be necessary or appropriate in order to enable the Director of Finance to determine and assess any unpaid fees or franchise taxes payable by such foreign corporation as in this Act prescribed.

The application for withdrawal shall be made on forms prescribed and furnished by the Director of Finance and shall be executed by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing the application, or, if the corporation is in the hands of a receiver or trustee, shall be executed on

behalf of the corporation by such receiver or trustee and verified by him.

**Sec. 113. Filing of Application for Withdrawal.** Duplicate originals of such application for withdrawal shall be delivered to the Director of Finance. If the Director of Finance finds that such application conforms to the provisions of this Act, he shall, when all fees and franchise taxes have been paid as in this Act prescribed:

(a) Endorse on each of such duplicate originals the word "Filed," and the month, day and year of the filing thereof.

(b) File one of such duplicate originals in his office.

(c) Issue a certificate of withdrawal to which he shall affix the other duplicate original.

The certificate of withdrawal, together with the duplicate original of the application for withdrawal affixed thereto by the Director of Finance, shall be returned to the corporation or its representative. Upon the issuance of such certificate of withdrawal, the authority of the corporation to transact business in Alaska shall cease.

**Sec. 114. Revocation of Certificate of Authority.** The certificate of authority of a foreign corporation to transact business in Alaska may be revoked by the Director of Finance upon the conditions prescribed in this section when:

(a) The corporation has failed to file its annual report within the time required by this Act, or has failed to pay any fees, franchise taxes or penalties prescribed by this Act when they have become due and payable; or

(b) The corporation has failed to

appoint and maintain a registered agent in Alaska as required by this Act; or

(c) The corporation has failed, after change of its registered office or registered agent, to file in the office of the Director of Finance a statement of such change as required by this Act; or

(d) The corporation has failed to file in the office of the Director of Finance any amendment to its articles of incorporation or any articles of merger within the time prescribed by this Act; or

(e) A misrepresentation has been made of any material matter in any application, report, affidavit, or other document submitted by such corporation pursuant to this Act.

(f) The corporation is a party to an illegal combination in restraint of trade.

No certificate of authority of a foreign corporation shall be revoked by the Director of Finance unless (1) he shall have given the corporation not less than sixty days' notice thereof by mail addressed to its registered office in Alaska, and (2) the corporation shall fail prior to revocation to file such annual report, or pay such fees, franchise taxes or penalties, or file the required statement of change of registered agent or registered office, or file such articles of amendment or articles of merger, or correct such misrepresentation.

**Sec. 115. Issuance of Certificate of Revocation.** Upon revoking any such certificate of authority, the Director of Finance shall:

(a) Issue a certificate of revocation in duplicate.

(b) File one of such certificates in his office.

(c) Mail to such corporation at its registered office in Alaska a notice of such revocation accompanied by one of such certificates.

Upon the issuance of such certificate of revocation, the authority of the corporation to transact business in Alaska shall cease.

**Sec. 116. Application to Corporations Heretofore Authorized to Transact Business in Alaska.** Foreign corporations which are duly authorized to transact business in Alaska at the time this Act takes effect, for a purpose or purposes for which a corporation might secure such authority under this Act, shall, subject to the limitations set forth in their respective certificates of authority, be entitled to all the rights and privileges applicable to foreign corporations procuring certificates of authority to transact business in Alaska under this Act, and from the time this Act takes effect such corporations shall be subject to all the limitations, restrictions, liabilities, and duties prescribed herein for foreign corporations procuring certificates of authority to transact business in Alaska under this Act.

**Sec. 117. Transacting Business Without Certificate of Authority.** No foreign corporation transacting business in Alaska without a certificate of authority shall be permitted to maintain any action, suit or proceeding in any court of Alaska, until such corporation shall have obtained a certificate of authority. Nor shall any action, suit or proceeding be maintained in any court of Alaska by any successor or assignee of such corporation on any right, claim or demand arising out of the transaction of business by such corporation in Alaska, until a certificate of authority shall have

been obtained by such corporation or by a corporation which has acquired all or substantially all of its assets.

The failure of a foreign corporation to obtain a certificate of authority to transact business in Alaska shall not impair the validity of any contract or act of such corporation, and shall not prevent such corporation from defending any action, suit or proceeding in any court of Alaska.

A foreign corporation which transacts business in Alaska without a certificate of authority shall be liable to Alaska, for the years or parts thereof during which it transacted business in Alaska without a certificate of authority, in an amount equal to all fees and franchise taxes which would have been imposed by this Act upon such corporation had it duly applied for and received a certificate of authority to transact business in Alaska as required by this Act and thereafter filed all reports required by this Act, plus all penalties imposed by this Act for failure to pay such fees and franchise taxes. The Attorney General shall bring proceedings to recover all amounts due Alaska under the provisions of this Section.

**Sec. 118. Annual Report of Domestic and Foreign Corporations.** Each domestic corporation, and each foreign corporation authorized to transact business in Alaska, shall file, within the time prescribed by this Act, an annual report setting forth:

(a) The name of the corporation and the state or country under the laws of which it is incorporated.

(b) The address of the registered office of the corporation in Alaska,

and the name of its registered agent in Alaska at such address, and, in the case of a foreign corporation, the address of its principal office in the State or country under the laws of which it is incorporated.

(c) A brief statement of the character of the business in which the corporation is actually engaged in Alaska.

(d) The names and respective addresses of the directors and officers of the corporation.

(e) A statement of the aggregate number of shares which the corporation has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.

(f) A statement of the aggregate number of issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.

(g) A statement, expressed in dollars, of the amount of stated capital of the corporation, as defined in this Act.

**Sec. 119. Filing of Annual Report of Domestic and Foreign Corporations.** Such annual report of a domestic or foreign corporation shall be delivered to the Director of Finance between the first day of January and the first day of March of each year, except that the first annual report of a domestic or foreign corporation shall be filed between the first day of January and the first day of March of the year next succeeding the calendar year in which its certificate of incorporation or its certificate of authority, as the case may be, was issued by the Director of Finance. Any corporation organized under the provisions of this title whose fiscal year ends at any

other time than at the end of the calendar year, shall be allowed sixty days from the date on which its fiscal year ends within which to file this report. Proof to the satisfaction of the Director of Finance that prior to the first day of March such report was deposited in the United States mail in a sealed envelope, properly addressed, with postage prepaid, shall be deemed a compliance with this requirement. If the Director of Finance finds that such report conforms to the requirements of this Act, he shall file the same. If he finds that it does not so conform, he shall promptly return the same to the corporation for any necessary corrections, in which event the penalties hereinafter prescribed for failure to file such report within the time hereinabove provided shall not apply, if such report is corrected to conform to the requirements of this Act and returned to the Director of Finance in sufficient time to be filed prior to the first day of April of the year in which it is due.

**Sec. 120. Incorporation or Filing Fees.** Every corporation incorporated under the laws of Alaska, or of any state or Territory of the United States, or of any foreign state or country, required by law to file articles of incorporation in the office of the Director of Finance, except the corporations mentioned in Section 36-6-4 ACLA 1949, shall pay to the Director of Finance a filing fee of twenty-five dollars (\$25.00), provided the authorized capital stock of such corporation is \$100,000 or less; but when the authorized capital stock of such corporation exceeds \$100,000, such corporation shall pay in addition to the said fee of \$25.00 a further fee of ten cents for each \$1,000, or fraction thereof, of authorized capital

stock above \$100,000 and up to and including \$1,000,000; and if the authorized capital stock exceeds \$1,000,000, a further additional fee of \$10.00 for each \$1,000,000, or fraction thereof, of authorized capital stock over \$1,000,000. Shares of no par value shall be assumed to be of the par value of \$1.00 each for the purpose of computing the amount of such filing fee.

**Sec. 121. Fees on Filing Amending Articles or Certificates Changing Capital Stock.** Every corporation, foreign or domestic, except the corporations mentioned in Section 36-6-4 ACLA 1949, filing in the office of the Director of Finance amendatory or supplemental articles of incorporation, or certificates of increase or decrease of capital stock, shall pay therefor to the Director of Finance the following fees:

(a) For filing amendatory or supplemental articles whereby the capital stock is not increased, or for filing a certificate of decrease of capital stock, a fee of ten dollars (\$10.00):

(b) For filing amendatory or supplemental articles whereby the capital stock is increased, or for filing a certificate of increase of capital stock, a fee of ten dollars (\$10.00), plus a further fee of ten cents per \$1,000, or fraction thereof, of authorized increase of capital stock above \$100,000 and less than \$1,000,000, and plus a further fee of \$10.00 per \$1,000,000 of such authorized increase over \$1,000,000.

Shares of no par value shall be assumed to be of the par value of \$1.00 each for the purpose of computing the amount of such filing fee.

**Sec. 122. Fees on Appointment or**

**Revocation of Appointment of Process Agent.** Every foreign corporation filing in the office of the Director of Finance a certificate of the appointment and consent of the agent residing in Alaska, or a certificate or revocation of such appointment of the resident agent, shall pay to the Director of Finance a fee of five dollars.

**Sec. 123. Annual Corporation Tax: Penalty for Nonpayment.** Every corporation incorporated under the laws of Alaska and every foreign corporation having its articles of incorporation on file in the office of the Director of Finance, shall, on or before the first day of January of each and every year, pay to the Director of Finance, for the use of Alaska, an annual corporation tax of fifteen dollars. Every corporation which has failed or hereafter fails, to pay said annual corporation tax on or before the first day of January of each and every year, shall pay to the Director of Finance, for the use of Alaska, in addition to the said annual corporation tax, the further sum of two dollars and fifty cents as a penalty for such failure.

Corporations organized under Section 36-6-4 ACLA 1949 shall not be required to pay such annual corporation tax.

**Sec. 124. Failure to Pay Tax or Make Report as Precluding Suit By Corporation: Evidence of Payment: Enforcement of Payment.** No corporation, foreign or domestic, shall be permitted to commence or maintain any suit, action or proceeding in any court in Alaska without alleging and proving that it has paid its annual corporation tax last due and has filed its annual report for the last calendar or fiscal year for which such report became due for

filing. A certificate of the payment of such annual tax and filing of said annual report shall be prima facie evidence of the payment of such tax and the filing of such annual report; and the Director of Finance is hereby required to issue such certificate or duplicate thereof at a charge of twenty-five cents.

The Attorney General may institute suits in the name of Alaska to enforce the payment of any annual corporation tax due from any corporation, provided, that corporations mentioned in Section 36-6-4 ACLA 1949 are exempted from the payment thereof.

**Sec. 125. Failure to Pay Tax as Evidence of Insolvency.** Failure upon the part of any corporation to pay its annual corporation tax for a period of one year and after the date when such payment first becomes due shall be prima facie evidence of the insolvency of such corporation, and the fact of such insolvency may be shown by Alaska or by any private person or corporation.

**Sec. 126. Striking From Record Name of Corporation Failing to Pay Tax.** It shall be the duty of the Director of Finance of Alaska to strike from the records of his office the names of all corporations which have neglected, or which shall hereafter neglect, for a period of two years to pay their annual corporation tax.

**Sec. 127. Reinstatement of Corporation.** Every corporation whose name has been stricken for failure to pay its annual corporation tax for two years, is hereby authorized and permitted, on or before ten years from the date said corporation's name was stricken to apply for reinstatement.

**Sec. 128. Taxes and Penalties Payable on: Record Notation of.** Whenever any corporation shall have had its name stricken, it shall, in applying for reinstatement, pay all annual corporation taxes and penalties then due, and an additional penalty of ten dollars for each year it has so failed to pay its annual corporation tax, up to the time of the application for reinstatement, including the two years prior to the date of its being stricken; and upon such payment it shall be the duty of the Director of Finance to enter upon his records a notation that such corporation is reinstated.

**Sec. 129. Effect on Rights and Powers of Corporation.** Thereafter such corporation shall have and enjoy the same rights and powers as if its name had never been stricken from the records, and all things done by it in the exercise of its corporate powers before such reinstatement are hereby validated and confirmed.

**Sec. 130. Dissolution for Nonpayment of Tax and Failure to Apply for Reinstatement.** If, however, within the period named within which a corporation, foreign or domestic, may make application to be reinstated, such corporation shall not have made such application, the Director of Finance of Alaska shall enter upon his records a notation that such corporation is dissolved and it shall thereupon be dissolved, and the trustees of such corporation shall hold the title to the property of the corporation for the benefit of its stockholders and creditors. Provided: that all reinstatements of dissolved corporations, foreign and domestic, heretofore made by the Director of Finance, are hereby validated and confirmed in every respect.

**Sec. 131. Adoption By Other Corporation of Name of Dissolved Corporation.** The name of a corporation which has been dissolved for non-payment of the annual corporation tax shall be available to and may be adopted by another corporation.

**Sec. 132. Filing Fees for Instruments Not Otherwise Provided For.** The filing fee for any instrument not otherwise provided for shall be five dollars.

**Sec. 133. Fees and Penalties Payable on Withdrawal of Foreign Corporation.** Any foreign corporation registered in the office of the Director of Finance desiring to withdraw from Alaska may do so upon payment of all annual corporation taxes and penalties due at the time of such desired withdrawal, and filing in the office of the Director of Finance, and in any office of the Clerk of the Court where its articles are on file, a certificate of withdrawal, signed by its proper officers and under its corporate seal. The filing fee in the office of the Director of Finance shall be five dollars. Provided, that all withdrawals heretofore had in Alaska are hereby validated and confirmed in every respect.

**Sec. 134. Fees on Dissolution of Domestic Corporation.** Every corporation incorporated under the laws of Alaska shall pay to the Director of Finance, for the use of Alaska, a fee of five dollars for filing the instruments mentioned in Section 36-1-146 ACLA 1949, providing for the dissolution of domestic corporations.

**Sec. 135. Taxes, Penalties and Fees on Filing Certificate of Dissolution of Foreign Corporation.** A foreign corporation desiring to file a certificate of dissolution from the

state of its origin, may file such certificate, when signed by the proper state officer, under seal, upon payment of all annual corporation taxes and penalties due at the time of such dissolution. The filing fee in the office of the Director of Finance of Alaska for filing such certificate of dissolution shall be five dollars.

**Sec. 136. Fee for Filing Annual Report.** Every corporation incorporated under the laws of Alaska shall pay to the Director of Finance, for the use of Alaska, a fee of two and one-half dollars for filing an annual report.

**Sec. 137. Payments to be Made in Advance.** All fees and charges provided for in this Act, including the annual corporation tax, are due and payable in advance.

**Sec. 138. Accounting For and Disposition of Taxes and Fees Paid.** All fees and taxes paid under the provisions of this Act shall be accounted for and covered into the Treasury of Alaska.

**Sec. 139. Penalties Imposed Upon Corporations.** Each corporation, domestic or foreign, that fails or refuses to file its annual report for any year within the time prescribed by this Act shall be subject to a penalty of ten per cent of the amount of the franchise tax assessed against it for the period beginning July 1 of the year in which such report should have been filed. Such penalty shall be assessed by the Director of Finance at the time of the assessment of the franchise tax. If the amount of the franchise tax as originally assessed against such corporation be thereafter adjusted in accordance with the provisions of this Act, the amount of the penalty shall be likewise adjusted to ten per cent of the

amount of the adjusted franchise tax. The amount of the franchise tax and the amount of the penalty shall be separately stated in any notice to the corporation with respect thereto.

If the franchise tax assessed in accordance with the provisions of this Act shall not be paid on or before the thirty-first day of July, it shall be deemed to be delinquent, and there shall be added a penalty of one per cent for each month or part of month that the same is delinquent, commencing with the month of August.

Each corporation, domestic or foreign, that fails or refuses to answer truthfully and fully within the time prescribed by this Act interrogatories propounded by the Director of Finance in accordance with the provisions of this Act, shall be deemed to be guilty of a misdemeanor and upon conviction thereof may be fined in any amount not exceeding five hundred dollars.

**Sec. 140. Penalties Imposed Upon Officers and Directors.** Each officer and director of a corporation, domestic or foreign, who fails or refuses within the time prescribed by this Act to answer truthfully and fully interrogatories propounded to him by the Director of Finance in accordance with the provisions of this Act, or who signs any articles, statement, report, application or other document filed with the Director of Finance which is known to such officer or director to be false in any material respect, shall be deemed to be guilty of a misdemeanor, and upon conviction thereof may be fined in any amount not exceeding five hundred dollars.

**Sec. 141. Interrogatories by Director of Finance.** The Director of

Finance may propound to any corporation, domestic or foreign, subject to the provisions of this Act, and to any officer or director thereof, such interrogatories as may be reasonably necessary and proper to enable him to ascertain whether such corporation has complied with all the provisions of this Act applicable to such corporation. Such interrogatories shall be answered within thirty days after the mailing thereof, or within such additional time as shall be fixed by the Director of Finance, and the answers thereto shall be full and complete and shall be made in writing and under oath. If such interrogatories be directed to an individual they shall be answered by him, and if directed to a corporation they shall be answered by the president, vice president, secretary or assistant secretary thereof. The Director of Finance need not file any document to which such interrogatories relate until such interrogatories be answered as herein provided, and not then if the answers thereto disclose that such document is not in conformity with the provisions of this Act. The Director of Finance shall certify to the Attorney General, for such action as the Attorney General may deem appropriate, all interrogatories and answers thereto which disclose a violation of any of the provisions of this Act.

**Sec. 142. Information Disclosed by Interrogatories.** Interrogatories propounded by the Director of Finance and the answers thereto shall not be open to public inspection nor shall the Director of Finance disclose any facts or information obtained therefrom except insofar as his official duty may require the same to be made public or in the event such interrogatories or the

answers thereto are required for evidence in any criminal proceedings or in any other action by Alaska.

**Sec. 143. Powers of Director of Finance.** The Director of Finance shall have the power and authority reasonably necessary to enable him to administer this Act efficiently and to perform the duties therein imposed upon him.

**Sec. 144. Appeal From Director of Finance.** If the Director of Finance shall fail to approve any articles of incorporation, amendment, merger, consolidation or dissolution, or any other document required by this Act to be approved by the Director of Finance before the same shall be filed in his office, he shall, within ten days after the delivery thereof to him, give written notice of his disapproval to the person or corporation, domestic or foreign, delivering the same, specifying the reasons therefor. From such disapproval such person or corporation may appeal to the U. S. District Court or applicable court of competent jurisdiction if Alaska becomes a State in which the registered office of such corporation is, or is proposed to be, situated, by filing with the clerk of such court a petition setting forth a copy of the articles or other document sought to be filed and a copy of the written disapproval thereof by the Director of Finance; whereupon the matter shall be tried de novo by the court, and the court shall either sustain the action of the Director of Finance or direct him to take such action as the court may deem proper.

If the Director of Finance shall revoke the certificate of authority to transact business in Alaska of any foreign corporation, pursuant

to the provisions of this Act, such foreign corporation may likewise appeal to the U. S. District Court or applicable court of competent jurisdiction if Alaska becomes a State, where the registered office of such corporation in Alaska is situated, by filing with the clerk of such court a petition setting forth a copy of its certificate of authority to transact business in Alaska and a copy of the notice of revocation given by the Director of Finance; whereupon the matter shall be tried de novo by the court, and the court shall either sustain the action of the Director of Finance or direct him to take such action as the court may deem proper.

Appeals from all final orders and judgments entered by the U. S. District Court or applicable court of competent jurisdiction if Alaska becomes a State, under this section in review of any ruling or decision of the Director of Finance, may be taken as in other civil actions.

**Sec. 145. Certificates and Certified Copies to be Received in Evidence.** All certificates issued by the Director of Finance in accordance with the provisions of this Act, and all copies of documents filed in his office in accordance with the provisions of this Act when certified by him, shall be taken and received in all courts, public offices, and official bodies as prima facie evidence of the facts therein stated. A certificate by the Director of Finance under the great seal of Alaska, as to the existence or non-existence of the facts relating to corporations which would not appear from a certified copy of any of the foregoing documents or certificates shall be taken and received in all courts, public offices, and official bodies as prima facie evidence of the existence or non-

existence of the facts therein stated.

**Sec. 146. Forms to be Furnished by the Director of Finance.** All reports required by this Act to be filed in the office of the Director

of Finance shall be made on forms which shall be prescribed and furnished by the Director of Finance. Forms for all other documents to be filed in the office of the Director of Finance shall be furnished by the Director of Finance on request therefor, but the use thereof, unless otherwise specifically prescribed in this Act, shall not be mandatory.

**Sec. 147. Greater Voting Requirements.** Whenever, with respect to any action to be taken by the shareholders of a corporation, the articles of incorporation require the vote or concurrence of the holders of a greater proportion of the shares, or of any class or series thereof, than required by this Act with respect to such action, the provisions of the articles of incorporation shall control.

**Sec. 148. Waiver of Notice.** Whenever any notice is required to be given to any shareholder or director of a corporation under the provisions of this Act or under the provisions of the articles of incorporation or by-laws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

**Sec. 149. Action by Shareholders Without a Meeting.** Any action required by this Act to be taken at a meeting of the shareholders of a corporation, or any action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing,

setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

Such consent shall have the same force and effect as a unanimous vote of shareholders, and may be stated as such in any articles or document filed with the Director of Finance under this Act.

**Sec. 150. Unauthorized Assumption or Corporate Powers.** All persons who assume to act as a corporation without authority so to do shall be jointly and severally liable for all debts and liabilities incurred or arising as a result thereof.

**Sec. 151. Application to Existing Corporations.** The provisions of this Act shall apply to all existing corporations organized under any general act of Alaska providing for the organization of corporations for a purpose or purposes for which a corporation might be organized under this Act, where the power has been reserved to amend, repeal or modify the act under which such corporation was organized and where such act is repealed by this Act.

**Sec. 152. Application to Foreign and Interstate Commerce.** The provisions of this Act shall apply to commerce with foreign nations and among the several states only insofar as the same may be permitted under the provisions of the Constitution of the United States.

**Sec. 153. Reservation of Power.** The Legislature of Alaska shall at all times have power to prescribe such regulations, provisions and limitations as it may deem advisable, which regulations, provisions and limitations shall be binding upon any and all corporations subject to the provisions of this Act,

and the Legislature of Alaska shall have power to amend, repeal or modify this Act at pleasure.

**Sec. 154. Effect of Repeal of Prior Acts.** The repeal of a prior act by this Act shall not affect any right accrued or established, or any liability or penalty incurred, under the provisions of such act, prior to the repeal thereof.

**Sec. 155. Effect of Invalidity of Part of This Act.** If a court of competent jurisdiction shall adjudge to be invalid or unconstitutional any clause, sentence, paragraph, section or part of this Act, such judgment or decree shall not affect, impair, invalidate or nullify the remainder

of this Act, but the effect thereof shall be confined to the clause, sentence, paragraph, section or part of this Act so adjudged to be invalid or unconstitutional.

**Sec. 156. Repeal of Prior Acts.** Sections 36-1-1 through 36-1-148, ACLA 1949, as amended by Chapters 3, 77 and 85, SLA 1953; Sections 36-2-1 through 36-2-6, ACLA 1949, as amended by Chapters 130 and 192, SLA 1955; Sections 36-6-1 through 36-6-3, ACLA 1949 and Sections 36-6-5 through 36-6-14, ACLA 1949, as amended by Chapter 25, SLA 1951 and Sections 36-6-16 through 36-6-22, ACLA 1949 are hereby repealed.

Approved March 29, 1957

## CHAPTER 127

### AN ACT

**Pertaining to Vital Statistics Recording; amending Sec. 26 of Ch. 119, SLA 1949 as amended by Ch. 86, SLA 1951.**

(H. B. 168)

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

Section 1. Sec. 26 of Ch. 119, SLA 1949, as amended by Ch. 86, SLA 1951, is hereby amended to read as follows:

**Sec. 26. Commissioner to Record and Transmit Certificates: Fees.** It shall be the duty of every United States Commissioner within Alaska to record every birth, death and marriage certificate presented to him for record; and said United States Commissioner shall receive as compensation for his services in

recording each of said certificates the fees prescribed by the Attorney General of the United States for similar services performed by United States Commissioners acting as ex-officio recorders. The United States Commissioners of each recording district shall on or before the tenth day of each month transmit to the Registrar of Vital Statistics all original certificates of birth, death and marriage filed with him for the preceding calendar month; and he shall at the same time submit to the Registrar an account of fees due for recording