

acts inconsistent herewith are hereby repealed.

Sec. 3. This act shall take effect and be in force from and after January 1, 1924.

Approved April 4, 1923.

CHAPTER 141—H. F. No. 274.

An act to authorize the organization of co-operative credit associations or corporations, define their authorities and provide for their inspection.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Co-operative credit associations authorized.—A co-operative association, society or corporation may be organized under the provisions of this act for the purpose of promoting and facilitating the production and marketing of the various kinds of staple agricultural products including livestock, by advancing and lending money to parties engaged in the production and marketing of such products upon the obligations of the borrowers when such obligations are secured by satisfactory collateral, by warehouse receipts covering such products or by chattel mortgages constituting a first lien upon livestock or other staple agricultural products.

Sec. 2. Definitions.—The term "association," "society," or "corporation," as used in this act, shall be construed to mean and include any corporation organized hereunder and in its articles may use the term "association," "society," or "corporation."

The term "staple agricultural products" shall be construed to mean and include all kinds of grain, hay and similar articles that are capable of being kept, preserved, used or marketed during an extended period without material damage and shall not be construed to include a large variety of vegetables or similar agricultural products that rapidly deteriorate or become unmarketable. The term "livestock" as used herein for all purposes of this act shall be construed to include the purchasing, breeding and development of the various kinds of livestock including the feeding and marketing of same.

Sec. 3. Articles of incorporation.—The persons forming a corporation under this act shall sign and acknowledge written articles of incorporation therein specifying:

- (a).—The name of the association or corporation, the nature of its business, and the principal place of transacting the same, which shall be within the State of Minnesota. Such name shall distinguish it from all other corporations, domestic or foreign, doing business in this state and may therein be designated as an asso-

- ciation, society or corporation and such name or title shall be preserved to it during its corporate existence.
- (b).—The period of its duration which shall not exceed thirty years without renewal.
 - (c).—The name and place of residence of the incorporators, which in the case of a corporation containing not more than \$10,000 capital, shall be not less than ten in number and in all corporations containing more than \$10,000 capital shall be not less than twenty incorporators.
 - (d).—The amount of the capital stock of such corporation, which shall not be less than \$10,000 nor more than \$50,000, and shall designate the number of shares into which it shall be divided and the amount of the par value of such shares.
 - (e).—The names and addresses of the officer and board of directors in whom shall be vested the management of the corporation until the next annual election.
 - (f).—The date and place of the annual meeting of the stockholders for the election of the board of directors herein provided for and the transaction of other business authorized by this act.
 - (g).—The highest amount of indebtedness or liability to which the association shall at any time be subject, which may be fixed in a stated amount or by a percentage of the paid in capital stock.
 - (h).—And may contain also any other lawful provisions defining and regulating the powers or the business of the corporation, the duties and authorities of its officers, directors and stockholders.

Sec. 4. To be approved by superintendent of banks.—Before the corporation shall be considered organized and authorized to do business, the proposed articles of incorporation shall be submitted to the Superintendent of Banks of the State of Minnesota to determine if such proposed articles conform to the requirements and purposes of this act and upon being approved, such articles shall be published in a legal newspaper in the county where the principal place of business of said corporation shall be located for two successive weeks, once each week in either a weekly or daily newspaper published in such county. The articles of incorporation and approval thereof and proof of the publication shall be filed with the Secretary of State and a certified copy thereof filed and recorded in the office of the Register of Deeds in the county in which the principal place of business of the corporation is located.

Sec. 5. Capital stock may be issued and sold.—After the approval, publication, filing and recording of the articles of incorporation, as provided in Section 4 of this act, the corporation shall be authorized to organize and proceed to sell its shares

of capital stock and issue certificates therefor without any further regulation or control under any law of this state and without obtaining a certificate of authority therefor, provided by Chapter 429 of the Laws of 1917; provided no stock shall be sold or certificates issued therefor except upon payment into the treasury of the company the par value of such stock. The corporation may commence business when not less than \$10,000 of the capital stock has been subscribed and paid in and outstanding stock shall at no time be diminished below that amount. Any corporation organized under this act may limit the amount of stock or the number of shares which may be issued to or owned by any individual, association or corporation, which in no case shall exceed in amount \$1,000.00 of the par value of such stock and no stockholder shall be entitled to more than one vote at any meeting of the stockholders. Any stock issued by the corporation shall be transferred only on the books of the company and with the approval and consent of the board of directors. The corporation shall have the first right to purchase any stock offered for sale by any of its stockholders.

Sec. 6. May make loans.—Any corporation organized under the provisions of this act shall have authority to make loans to parties engaged in agricultural production within this state, whether stockholders of this association or otherwise, and for such amount and on such time, not exceeding a period of three years, as may be fixed by its by-laws or board of directors, and upon receiving the obligation of the borrower, secured by acceptable collateral or security, as specified in Section 1 of this act, and such corporation shall have authority to borrow money upon its own obligation with and without the obligations of its customers as collateral and may rediscount the securities taken from its customers and enter into the necessary contracts for the sale, negotiation and transfer with and without the guarantee of such corporation of the obligations and securities taken by it from its customers and such contracts may be made with any bank, trust company, land bank or other association or organization engaged in the business of making loans or authorized to make loans to such corporation or purchase or rediscount securities held by it, provided the total liability of such corporation shall at no time exceed three times the amount of its paid up capital stock; provided further that the sale of any of the securities held by it to any other party, corporation, association or financial organization and the guarantee of the payment of such securities shall not be considered a liability on the part of such corporation within the meaning of this section and such corporation shall have authority to rediscount and transfer the securities taken by it from its patrons but at no time shall such rediscount exceed ten times the amount of the paid up capital stock of said corporation.

Sec. 7. Stock to be forfeited in certain cases.—Any stockholder who knowingly and intentionally violates the provisions of this act may be required by the board of directors to forfeit his stock; in which case the board of directors shall refund to such stockholder the par value of his stock. The stock so forfeited shall be retired and cancelled by the board of directors and such stockholder shall have no further rights or benefits in such corporation.

At any regularly called general or special meeting of the stockholders a written vote received by mail from an absent stockholder certified to and signed by him may be read in such meeting and shall be accepted, as the vote of the stockholder so signing provided that such stockholder has had due and previous notice as to the issues involved and that a notice containing the exact text of the motion or resolution or amendment has been mailed to him at his last known post office address and a copy of the same is forwarded with and attached to the vote so mailed by such absent stockholder. The board of directors may cause a referendum vote to be taken by mail upon any action or recommendation of the board or for the purpose of electing members upon the board of directors under the regulations above provided.

Sec. 8. Meetings of stockholders.—A meeting of the stockholders shall be held annually at the principal place of business of the corporation at such time as shall be designated in the articles of incorporation. At such annual meeting reports covering the transactions of the corporation for the previous fiscal year shall be submitted to the stockholders by the officers and the members of the board of directors shall be elected for the ensuing year at such meeting. The secretary shall give notice of such meeting by mailing notice to each and every stockholder at his or her last known post office address not less than fifteen days nor more than thirty days previous to the date of such meeting.

Special meetings of the stockholders may be called by a majority vote of the directors or upon written petition of at least ten per cent of the stockholders, in which case it shall be the duty of the president to cause notice of said meeting to be given as herein provided. Such notice shall state the time and place and purpose of such meeting. Notice of regular or special meetings having been mailed to the stockholders, the secretary shall execute and file in his office an affidavit stating the date and manner in which such notice was given, containing a copy of such notice, and failure of any stockholder to receive such notice shall not invalidate any action taken by the stockholder at such regular or special meeting.

Sec. 9. Quorum.—The number of stockholders required to be present in person or represented by mailing vote at any reg-

ular or special stockholders meeting to constitute a quorum for the transaction of business shall be a majority of such stockholders when the total number does not exceed twenty-five and one-third of the stockholders where the total number exceeds twenty-five but does not exceed seventy-five and in all cases where the total number of stockholders exceeds seventy-five, forty shall constitute a quorum. The fact of the attendance of a sufficient number of stockholders to constitute a quorum shall be established by a registration of the stockholders of the company who are present and the entry on the register by the secretary of those who are represented by mail, which registration shall be certified by the president and secretary.

Sec. 10. Board of directors—Officers.—Every corporation shall be managed by a board of not less than five nor more than seven directors, the number of which shall be fixed in the articles of incorporation and who shall be members of the association and be elected by the stockholders by ballot at the annual meeting, provided the stockholders by resolution may provide for the election of a certain number of the board of directors each year and may fix the length of the term of the directors for a period not exceeding three years. The officers of the association shall be a president, one or more vice presidents, a secretary and a treasurer who shall be elected annually by the board of directors. Each officer shall be a director of the company. The office of secretary and treasurer may be combined and when so combined the person shall be styled secretary-treasurer. A majority of the members of the board of directors shall constitute a quorum. The stockholders at any regular or special meeting called for that purpose shall have power to remove any officer or director for cause and to fill the vacancy.

Sec. 11. Reserve fund to be established.—The board of directors shall set aside all of the net earnings of the first and second year of the corporation for the purpose of creating a reserve fund until such earnings shall equal fifty per cent of the paid up capital stock and such net earnings, so far as may be necessary, may be so set aside each year thereafter by vote of the stockholders until such reserve shall equal the paid up capital stock of said corporation which reserve fund may be used in the business of such corporation the same as paid up capital. The term "net earnings," as used in this act, shall mean the earnings of the business after the operating charges and dividends on the capital stock have been paid and deducted from the gross earnings. The only dividends to be paid on the stock shall not exceed eight per cent per annum. After creating the reserve as herein provided, any additional net profits shall be disbursed by uniform dividends based upon

business transacted with the corporation by way of loans made and may be distributed in the form of credits upon the interest due upon any existing obligation due the corporation from any of its patrons and upon the wages and salaries received by its employes. Non stockholders shall receive dividends to the extent of one half that paid to stockholders. The distribution of net earnings shall be made annually after the first year if sufficient funds remain to warrant such distribution after otherwise complying with the requirements of this section. If the board of directors of any corporation organized under this act shall authorize the payment of dividends on the paid up capital stock of such corporation in excess of eight per cent, such act shall operate as the vacation of the office of such director or officer voting for or sanctioning such payment, and all members voting for such payment shall be personally liable to the corporation for the return to it of the money thus unlawfully distributed.

Sec. 12. Annual statement to be filed.—Every corporation organized under this act shall file annually with the Banking Department of the State of Minnesota a complete detailed report of its business for the last fiscal year, in such form as the Superintendent of Banks shall require, which report shall be made on or before the 15th day of March of each year after said corporation commenced business and such additional reports shall from time to time be made by such corporation as the Superintendent of Banks may, by notice or order, require, and it is hereby made the duty of the Superintendent of Banks annually and at such other times as he may deem proper, to examine or cause to be examined the financial condition of said corporation and shall preserve in his office the record of such examination, which record shall be open to inspection by any stockholders of said corporation and a copy thereof shall be filed with the secretary of said corporation. For each examination the Superintendent of Banks shall collect from said corporation the sum of \$15.00.

Sec. 13. Amendments to articles.—The articles of incorporation of any corporation organized under this act may be amended so as to change its corporated name or title or so as to increase or diminish its capital stock or to change the number and par value of the shares of its capital stock or in respect to any other matter which the original articles of incorporation might lawfully have contained in the following manner: The board of directors, by a majority vote of its members, may pass a resolution setting forth the full text of the proposed amendment and the full text of the section or sections that may be repealed or changed by such amendment and fix a date for a meeting of the stockholders to vote upon the adoption of such amendment which shall comply with the requirements of this act relative to calling special elections. Upon such ac-

tion by the board of directors, notice shall be mailed by the secretary to each stockholder containing a copy of the resolution so adopted, the full text of the proposed amendment and of the section or sections amended or repealed. Such notice shall also designate the time and place of the meeting at which such proposed amendment shall be considered and voted upon if a quorum of the stockholders is registered as being present or represented by mail at such meeting a majority of the members so present or represented by mail vote may adopt or reject such proposed amendment. In case such amendment is adopted, it shall be presented to the Superintendent of Banks for approval and published, filed and recorded in the same manner as provided for approval, publication and filing of the original articles of incorporation.

Sec. 14. By-laws to be adopted.—The stockholders of any corporation organized under this act shall have authority to formulate and adopt a set of by-laws governing the duties of the board of directors and officers and the manner and procedure in making loans and rediscounting paper and such other transactions as may be conducted by the corporation in transacting its business not inconsistent with the provisions of this act, which by-laws, before they shall take effect, shall be presented to and approved by the Superintendent of Banks, who shall have authority to modify and change the same to conform to the requirements of this act and the proper business methods in the transactions by the board of directors and officers of said corporation. It shall further be the duty of the Superintendent of Banks, upon the passage and approval of this act, to cause to be drawn and prepared for use a set of articles of incorporation in blank form which shall be supplied to any parties desiring to form a corporation under the provisions of this act and he shall supply such advice and assistance as he may deem necessary in assisting in the formation of any corporation under the provisions of this act.

Sec. 15. This act shall take effect and be in force from and after its passage and approval.

Approved April 4, 1923.

CHAPTER 142—H. F. No. 784.

An act to amend Section 4281, General Statutes 1913, relating to the erection by common carriers of loading platforms at stations, and fixing forfeitures for failure to comply therewith.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Platforms for freight.—That section 4281, General Statutes 1913, be and the same hereby is amended so as to read as follows: