

Commercial and Police Regulations

Corporations

CHAPTER 300

GENERAL PROVISIONS

Sec.		Sec.	
300.01	Existing corporations continued	300.28	Property of stockholders levied on, when
300.02	Definitions	300.29	Procedure of officer levying
300.025	Organization, certificate	300.30	Capital stock
300.026	Creation by special act, selection of trustees or directors	300.31	Capital stock of certain telephone companies
300.03	Public service corporations; purposes	300.32	Record of stock; reports; dividends
300.04	State and local control; eminent domain	300.33	Corporate stock without nominal or par value; classes of; preferred stock
300.05	Municipality may purchase	300.34	Certificates of incorporation; statements therein as to par value, what to contain
300.06	Filing and record of certificate	300.35	Stock certificates to show number of shares
300.07	Publication of certificate	300.36	Value for determining prescribed minimum or maximum capital
300.08	General powers	300.37	Value of capital stock fixed by directors
300.081	Medical expenses; insurance; pensions	300.38	Increase or reduction of value of capital stock
300.082	Indemnification, of officers, directors, employees, and agents	300.39	Par value stock changed to non-par value stock
300.09	Property; sale, lease, exchange; procedure	300.40	Certificate of incorporation to provide for conversion of shares
300.10	Deeds of trust may draw interest at eight per cent	300.41	Powers of directors to issue stock
300.11	Execution of mortgages and deeds of trust legalized	300.42	Computation of value of stock
300.111	Financing statements of public utilities, taconite and semi-taconite companies; definitions	300.43	Laws applicable
300.112	Financing statements of a public utility, a taconite company, and a semi-taconite company, and duration thereof	300.44	Offices without and within the state
300.113	Continued effectiveness of certain laws	300.45	Certificates of incorporation, amendment; exceptions
300.115	Mortgages and deeds of trust of pipeline companies, filing and recording	300.46	Nonprofit corporations; trustees
300.12	Bylaws; statements	300.49	Filing fees
300.13	Corporate existence; duration, renewal	300.51	Certificate of incorporation issued by secretary of state
300.131	Perpetual corporate existence for insurance companies	300.52	Meetings
300.14	Certain corporations	300.53	Irregular meetings, how validated
300.15	Powers, rights, liabilities, and duties of consolidated corporation	300.54	Capital stock; how classified and issued
300.16	Dissenting stockholders; rights, how determined	300.55	Stock certificates, to whom issued
300.17	Liabilities of corporations, stockholders, and officers; rights of creditors	300.57	Executors, administrators, guardians, trustees may vote
300.18	Capital stock of consolidated corporation	300.58	Dissolution of corporations; exceptions
300.19	Filing fee	300.59	Continuance to close affairs; exceptions
300.20	Board of directors, election; vacancy, how filled	300.60	Diversion of corporate property a felony
300.21	Officers	300.61	False statement a felony
300.22	Classification of managers	300.62	Existing corporation, how to reorganize
300.23	Voting, how regulated	300.63	Attorney general to examine
300.24	Cumulative voting	300.64	Withdrawal of capital; liability of stockholders; payment of dividend when insolvent, assenting directors liable
300.25	Transfer of stock	300.65	Meetings of mining corporations, where held; may hold stock in other companies; fraudulent issue of stock a felony
300.26	Effect of transfer; stock books	300.66	Contributions by corporations
300.27	Stockholders, liabilities	300.67	Declaration of policies
		300.68	Not to invalidate prior gifts

300.01 EXISTING CORPORATIONS CONTINUED. Until otherwise provided by law, all private corporations existing and doing business at the time of the taking effect of Revised Laws 1905 shall continue to exercise and enjoy all powers and privileges possessed by them under their respective articles of incorporation and the laws applicable thereto then in force and shall remain subject to all the duties and liabilities to which they were then subject.

[R. L. s. 2838] (7429)

300.02 DEFINITIONS. Subdivision 1. **Words, terms, and phrases.** Unless the language or context clearly indicates that a different meaning is intended, the following words, terms, and phrases, for the purposes of chapters 300 to 317, shall be given the meanings subjoined to them.

Subd. 2. **Corporation.** The word "corporation" means a private corporation.

Subd. 3. **Private corporation.** The term "private corporation" includes every company, association, or body endowed by law with any corporate power or function, except such as are formed solely for public and governmental purposes, which shall be deemed public corporations.

Subd. 4. **Certificate of incorporation.** The term "certificate of incorporation" when used in reference to corporations formed prior to the taking effect of the Revised Laws of 1905 shall be construed as meaning articles of incorporation.

Subd. 5. **Domestic corporation.** The term "domestic corporation" means every corporation organized under the laws of this state.

Subd. 6. **Foreign corporation.** The term "foreign corporation" means any corporation except a domestic corporation.

[*R L s 2839, 2840*] (*7430, 7431*)

300.025 ORGANIZATION, CERTIFICATE. Any three or more persons may form a corporation for any of the purposes specified in section 47.12 by complying with the conditions hereinafter prescribed; provided, no corporation shall be formed under this section which might be formed under the Minnesota business corporation act. They shall subscribe and acknowledge a certificate specifying:

(1) The name, the general nature of its business, and the principal place of transacting the same. Such name shall distinguish it from all other corporations, domestic or foreign, authorized to do business in this state, and shall contain the word "company," "corporation," "bank," "association," or "incorporated." In the case of a state bank the name shall contain the words "state bank."

(2) The period of its duration, if limited.

(3) The names and places of residence of the incorporators.

(4) In what board its management shall be vested, the date of the annual meeting at which it shall be elected, and the names and addresses of those composing the board until the first election, a majority of whom, in the case of savings banks and building and loan associations, shall always be residents of the state.

(5) The amount of capital stock, if any, how the same is to be paid in, the number of shares into which it is to be divided, and the par value of each share; and, if there is to be more than one, a description and the terms of issue of each, and the method of voting thereon.

(6) The highest amount of indebtedness or liability to which the corporation shall at any time be subject.

It may contain any other lawful provision defining and regulating the powers and business of the corporation, its officers, directors, trustees, members, and stockholders provided that corporations subject to provisions of section 48.27 may show their highest amount of indebtedness to be 30 times the amount of its capital and actual surplus.

[*R L s 2849; 1907 c 468 s 1; 1919 c 111 s 1; 1951 c 550 s 69; 1957 c 601 s 24; 1959 c 288 s 1*] (*7443*)

300.026 CREATION BY SPECIAL ACT, SELECTION OF TRUSTEES OR DIRECTORS. Subdivision 1. Any corporation created by a special act of the legislature of the Territory of Minnesota or of the State of Minnesota which prescribes a method of selection of the trustees or directors of such corporation may change such method as to trustees or directors other than those automatically made such by such special act, through the adoption of a resolution by the body or persons empowered by such special act to select such trustees or directors; and may provide in such resolution that those selected shall hold office until their successors are selected and have qualified, and that a vacancy in the office of trustee or director shall be filled by the remaining trustees or directors, the appointee to hold office until the next annual meeting of the corporation, at which time there shall be elected in the manner provided by the resolution, a trustee or director to serve for the remainder of the unexpired term.

Subd. 2. A certified copy of the resolution referred to in subdivision 1 shall be filed in the office of the secretary of state, and upon such filing the resolution becomes effective.

Subd. 3. After the resolution becomes effective the board of trustees or directors of the corporation are self-perpetuating. All vacancies are to be filled as provided in subdivision 1.

Subd. 4. This section does not apply to the Board of Regents of the University of Minnesota.

[*1951 c 656 s 1; 1955 c 520 s 1*]

300.03 PUBLIC SERVICE CORPORATIONS; PURPOSES. Corporations may be organized for the construction, acquisition, maintenance, or operation of any work of internal improvement, including railways, street railways, telegraph and telephone lines, canals, slackwater, or other navigation, dams to create or improve a water supply or to furnish power for public use, and any work for supplying the

public, by whatever means, with water, light, heat, or power, including all requisite subways, pipes, and other conduits, and tunnels for transportation of pedestrians. No corporation so formed shall construct, maintain, or operate a railway of any kind, or any subway, pipe line, or other conduit, or any tunnel for transportation of pedestrians in or upon any street, alley, or other public ground of a city or village, without first obtaining from the city or village a franchise conferring such right and compensating the city or village therefor.

[R. L. s. 2841; 1925 c. 73] (7432)

300.04 STATE AND LOCAL CONTROL; EMINENT DOMAIN. The state shall at all times have the right to supervise and regulate the business methods and management of any such corporation and from time to time to fix the compensation which it may charge or receive for its services. Every such corporation obtaining a franchise from a city or village shall be subject to such conditions and restrictions as from time to time may be imposed upon it by such municipality. Every such corporation may acquire by right of eminent domain such private property as may be necessary or convenient for the transaction of the public business for which it was formed. No street railway company shall have or exercise such right within the limits of any city or village.

[R. L. s. 2842] (7433)

300.05 MUNICIPALITY MAY PURCHASE. The council of any city or village, at the end of any period of five years from the granting of a franchise for the operation of any street railway, telephone, waterworks, gas works, or any electric light, heat, or power works, when authorized so to do by a two-thirds majority of the votes cast upon the question, may acquire and thereafter operate the same, upon paying to the corporation or person owning the franchise the value of such property, to be ascertained in the manner provided by law for acquiring property under the right of eminent domain, upon petition of its governing body. Such vote shall be taken at a special election called for that purpose and held within three months next preceding the expiration of the five-year period. The consideration for such works or property shall first be applied to the payment of any encumbrances thereon and the remainder, if any, shall be paid to the owner of the franchise.

[R. L. s. 2843] (7434)

300.06 FILING AND RECORD OF CERTIFICATE. The certificate of every such corporation shall be filed for record with the secretary of state, who, if he finds that it conforms to law, and, if a financial corporation, has endorsed thereon the approval of the commissioner of banks, or, if an insurance company, that of the insurance commissioner, and, in every case, that the required fee has been paid, shall record the same and certify that fact thereon. After such record, such certificate shall be filed for record with the register of deeds of the county of the principal place of business, as specified in the certificate.

[R. L. s. 2850] (7444)

300.07 PUBLICATION OF CERTIFICATE. Every such certificate of incorporation shall be published in a qualified newspaper in the county of such principal place of business for two successive days in a daily, or for two successive weeks in a weekly, newspaper. Upon filing with the secretary of state proof of such publication, its corporate organization shall be complete.

[R. L. s. 2851] (7445)

300.08 GENERAL POWERS. Subdivision 1. **Enumerated powers.** Every corporation formed under the provisions of this chapter shall have power:

- (1) To have succession by its corporate name for the time stated in its certificate of incorporation;
- (2) To sue and be sued in any court;
- (3) To have and use a common seal and alter the same at pleasure;
- (4) To acquire, by purchase or otherwise, and to hold, enjoy, improve, lease, encumber, and convey all real and personal property necessary to the purposes of its organization, subject to the limitations hereafter declared;
- (5) To elect or appoint in such manner as it may determine all necessary or proper officers, agents, boards, and committees, to fix their compensation, and to define their powers and duties;
- (6) To make and amend consistently with law by-laws providing for the management of its property and the regulation and government of its affairs; and
- (7) To wind up and liquidate its business in the manner provided by law.

Subd. 2. **Issuance of stock; kinds.** In addition to the powers enumerated in subdivision 1, every such corporation, except the financial corporations herein-after in this chapter specified, shall have power to issue more than one class of stock.

Subd. 3. **May hold stock of other corporations.** Any corporation organized (1) for carrying on any kind of manufacturing or mechanical business not incompatible with an honest purpose; or (2) for the mining, smelting, reducing, refining, or working of ores or minerals, for working coal mines or stone quarries, or for buying, working, selling, or dealing in mineral lands, or for any one or more of the purposes mentioned in this paragraph (2), may take, acquire, and hold stock in any other corporation, if a majority of the stockholders shall elect.

[R. L. ss. 2852, 2853] (7447, 7452)

300.081 MEDICAL EXPENSES; INSURANCE; PENSIONS. Subdivision 1. **Authorization.** Any corporation now or hereafter formed under the laws of the State of Minnesota may provide by action of its board of directors for the furnishing to its employees and officers, wholly or in part at the expense of any such corporation, of medical expenses, insurance against accident, sickness, disability or death, and may adopt a plan for retirement allowances or pensions to employees and officers based on services rendered before, after, or before and after, the plan is adopted; such pension or allowance to be payable in such amounts, at such times and upon such conditions as the board of directors of the corporation in its discretion shall determine.

Subd. 2. **Acts legalized.** All allowances for medical expenses, insurance against accident, sickness, disability or death, and retirement allowances or pensions heretofore granted or paid by any such corporation to its employees and officers pursuant to action by its board of directors, is hereby validated.

[1947 c 446 s 1, 2]

300.082 INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS. Subdivision 1. A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, wherever brought, whether civil, criminal, administrative, or investigative, other than an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation, as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Subd. 2. A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit, wherever brought, by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the corporation and except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

MINNESOTA STATUTES 1969

3401

GENERAL PROVISIONS RELATING TO CORPORATIONS 300.082

Subd. 3. To the extent that a director, officer, employee, or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in subdivisions 1 and 2, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by him in connection therewith.

Subd. 4. Any indemnification under subdivision 1, unless ordered by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subdivision 1. Such determination shall be made (1) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the stockholders. Any indemnification under subdivision 2 must be ordered by a court.

Subd. 5. Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding as authorized by the board of directors in the manner provided in subdivision 4 upon receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this section.

Subd. 6. The indemnification provided by this section shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person. No provision made to indemnify directors or officers for the defense of any civil or criminal action or proceeding, whether contained in the articles of incorporation, the bylaws, a resolution of shareholders or directors, an agreement or otherwise, nor any award of indemnification by a court, shall be valid unless consistent with this section. Nothing contained in Laws 1969, Chapter 983, shall affect any rights to indemnification to which corporate personnel other than directors and officers may be entitled by contract or otherwise under law.

Subd. 7. A corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity, provided, that no indemnification shall be made under any policy of insurance for any act which could not be indemnified by the corporation under this section.

Subd. 8. (a) Where court approval is required by this section, application therefor may be made, in every case, either:

(1) In the civil action or proceeding in which the expenses were incurred or other amounts were paid, or

(2) To any district court of this state in a separate proceeding, in which case the application shall set forth the disposition of any previous application made to any court for the same or similar relief and also reasonable cause for the failure to make application for such relief in the action or proceeding in which the expenses were incurred or other amounts were paid.

(b) The application shall be made in such manner and form as may be required by the applicable rules of court or, in the absence thereof, by direction of a court to which it is made. Such application shall be upon notice to the corporation. The court may also direct that notice be given at the expense of the corporation to the shareholders and such other persons as the court may designate in such manner as it may require.

Subd. 9. (a) No indemnification, advancement or allowance shall be made under this section in any circumstance where it appears:

(1) That the indemnification would be inconsistent with the law of the jurisdiction of incorporation of a foreign corporation which prohibits or otherwise limits such indemnification;

(2) That the indemnification would be inconsistent with a provision of the articles of incorporation, a bylaw, a resolution of the board of directors or of the

shareholders, an agreement or other proper corporate action, in effect at the time of the accrual of the alleged cause of action asserted in the threatened or pending action or proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(3) If there has been a settlement approved by the court, that the indemnification would be inconsistent with any condition with respect to indemnification expressly imposed by the court in approving the settlement.

(b) If, under this section, any expenses or other amounts are paid by way of indemnification, otherwise than by court order or action by the shareholders, the corporation shall, not later than the next annual meeting of shareholders unless such meeting is held within three months from the date of such payment, and, in any event, within 15 months from the date of such payment, mail to its shareholders of record at the time entitled to vote for the election of directors a statement specifying the persons paid, the amounts paid, and the nature and status of the litigation or threatened litigation at the time of such payment.

Subd. 10. A domestic life insurance company having a separate account or accounts pursuant to section 61A.14 shall have power to indemnify any person who is serving or has served as a member of the managing committee of such separate account, and to purchase and maintain insurance for such purpose, in accordance with all the subdivisions of this section.

[1969 c 983 s 3]

300.09 PROPERTY; SALE, LEASE, EXCHANGE; PROCEDURE. Every corporation heretofore or hereafter organized under the laws of this state, except those formed or coming under the Minnesota Business Corporation Act, or a nonprofit corporation subject to the Minnesota Nonprofit Corporation Act or any part thereof, at any meeting of its board of directors, may sell, lease, or exchange all its property, rights, privileges, and franchises upon such terms and conditions as its board of directors deems expedient and for the best interests of the corporation, when and as authorized by the affirmative vote of the holders of two-thirds of the shares of stock of the company issued and outstanding having voting power, given at a stockholders' meeting duly called for that purpose, or when authorized by the written consent of the holders of two-thirds of the shares of stock of the company issued and outstanding having voting power. The certificate of incorporation may require the vote or written consent of a larger portion of the stockholders.

[1925 c 320 s 1; 1933 c 300 s 62; 1951 c 550 s 70; 1953 c 650 s 21] (7447-1)

300.10 DEEDS OF TRUST MAY DRAW INTEREST AT EIGHT PER CENT. Any public service corporation owning property in this state may mortgage or execute deeds of trust of the whole, or any part, of its property and franchises to secure money borrowed by it for the construction and equipment of its lines and properties and for its corporate purposes and issue its corporate bonds, in sums of not less than \$100 secured by these mortgages or deeds of trust, bearing interest at a rate not exceeding eight per cent per annum; such mortgages or deeds of trust may by their terms include after-acquired property, real and personal, and shall be as valid and effectual for that purpose as if such after-acquired property were owned by, and in possession of, the corporation giving such mortgage or deed of trust at the time of the execution thereof.

[1917 c. 10 s. 1; 1919 c. 127 s. 1; 1921 c. 131 s. 1] (7449)

300.11 EXECUTION OF MORTGAGES AND DEEDS OF TRUST LEGALIZED. In cases where any public service corporation owning property in this state has mortgaged or executed deeds of trust of the whole, or any part, of its property and franchises to secure money borrowed by it for the construction and equipment of lines and properties and for its corporate purposes and issued its corporate bonds in sums of not less than \$100 secured by mortgages or deeds of trust, bearing interest at a rate not exceeding eight percent per annum, and such mortgages or deeds of trust have by their terms included after-acquired property, real and personal, or have borne interest at a rate not exceeding eight percent per annum, such mortgages and deeds of trust are hereby legalized and made valid and effectual to all intents and purposes as if such after-acquired property were owned by and in possession of the corporation giving such mortgage or deed of trust at the time of the execution thereof, and as if such corporate bonds bore interest at the rate of seven percent per annum.

[1917 c. 10 s. 2; 1921 c. 131 s. 2] (7450)

MINNESOTA STATUTES 1969

3403

GENERAL PROVISIONS RELATING TO CORPORATIONS 300.115

300.111 FINANCING STATEMENTS OF PUBLIC UTILITIES, TACONITE AND SEMI-TACONITE COMPANIES; DEFINITIONS. Subdivision 1. **Public utility.** When used in sections 300.111 to 300.113 the term "public utility" means persons, corporations, or other legal entities, their lessees, trustees, and receivers, now or hereafter operating, maintaining, or controlling in this state equipment or facilities for the production, generation, transmission, or distribution at retail of gas, electric, or telephone service for the public and in such transmission and distribution use, or have a right to use, public roads, streets, alleys, or any other public way for the purpose of constructing, using, operating, or maintaining wires, pipes, conduits, or other facilities. No municipality producing or furnishing gas, electric, or telephone service is deemed a public utility under this definition. No person is deemed to be a public utility if it produces or furnishes its services to less than 50 persons.

Subd. 2. **Taconite company.** When used in sections 300.111 to 300.113 the term "taconite company" means any person, corporation, or other legal entity, their lessees, trustees, and receivers, engaged in or preparing to engage in the business of mining and beneficiating taconite, as the term "taconite" is defined in Minnesota Statutes 1965, Section 298.23, whether or not such taconite company may also engage in any other business.

Subd. 3. **Semi-taconite company.** When used in sections 300.111 to 300.113 the term "semi-taconite company" means any person, corporation, or other legal entity, their lessees, trustees, and receivers, engaged in or preparing to engage in the business of mining and beneficiating semi-taconite, as the term "semi-taconite" is defined in Minnesota Statutes 1965, Section 298.34, whether or not such semi-taconite company may also engage in any other business.

Subd. 4. **Electric service cooperatives.** Notwithstanding any provision in subdivision 1 which may be to the contrary, the term "public utility" also means a cooperative association now or hereafter operating, maintaining or controlling in this state equipment or facilities for the production, generation, transmission or distribution of electric services.

[1965 c 813 s 1; 1967 c 323 s 1; 1969 c 349 s 1]

300.112 FINANCING STATEMENTS OF A PUBLIC UTILITY, A TACONITE COMPANY, AND A SEMI-TACONITE COMPANY, AND DURATION THEREOF. Subdivision 1. Notwithstanding section 336.9-302, subsections (3) and (4); 336.9-401, subsection (1); 336.9-402; and 336.9-403 of the uniform commercial code, all filings required under the uniform commercial code in order to perfect a security interest against the personal property or fixtures of a debtor public utility, or against the personal property or fixtures of a debtor taconite company or a debtor semi-taconite company, shall be made and maintained in the office of the secretary of state.

Subd. 2. When the financing statement covers goods of a debtor public utility or of a debtor taconite company or a debtor semi-taconite company, which are or are to become fixtures, no description of the real estate or the name of the record owner thereof is required.

Subd. 3. Filing of a financing statement against the property of a debtor public utility or against the property of a debtor taconite company or a debtor semi-taconite company is effective until five years after the maturity date contained therein in the case of personal property and until 15 years after the maturity date in the case of fixtures annexed to real property, or if no maturity date is contained therein, until released or terminated.

[1965 c 813 s 2; 1967 c 323 s 2]

300.113 CONTINUED EFFECTIVENESS OF CERTAIN LAWS. Unless displaced by the specific provisions of sections 300.111 to 300.113, the uniform commercial code and other applicable laws remain in full force and effect and supplement the provisions of sections 300.111 to 300.113.

[1965 c 813 s 3]

300.115 MORTGAGES AND DEEDS OF TRUST OF PIPELINE COMPANIES, FILING AND RECORDING. Subdivision 1. A mortgage or deed of trust covering real property in whole or in part to secure a debt executed by a company engaged in the business of transporting oil, gas, petroleum products, or other derivatives by pipeline other than a public utility as defined in Minnesota Statutes 1965, Section 300.111, shall be filed with the secretary of state, and recorded in the office of the register of deeds or in the office of the registrar of titles of each county

through which the pipeline runs or in which it may hold land or interests in land. To secure the rights of all parties interested under such mortgage or deed of trust so executed, filed, and recorded, the personal property and fixtures belonging or appertaining thereto shall be deemed a part of the line, and notwithstanding the provisions of the uniform commercial code the filing and recording of such mortgage and deed of trust shall be notice of the rights of all parties in the real and personal property and fixtures covered thereby and will so remain until satisfied or discharged without further affidavit, continuation statement, or proceeding whatever.

Subd. 2. Any instrument described in subdivision 1 and heretofore recorded as a real estate mortgage and filed as a chattel mortgage in accordance with law, shall be deemed to have been validly recorded and filed and to be notice of the rights of the parties thereto in the real and personal property and fixtures covered thereby.

[1967 c 338 s 1, 2]

300.12 BYLAWS; STATEMENTS. Subdivision 1. **Adoption of bylaws.** The first board of directors, trustees, or managers shall adopt bylaws, which shall remain effective until, and except as, amended by the stockholders or members at any regular or special meeting called therefor.

Subd. 2. **Bylaws and certain statements posted in place of business.** A copy of the bylaws of every corporation whose articles are filed with the secretary of state, the names of its officers, and a statement of the amount of the capital stock actually and in good faith subscribed for, if there be any, the amount and character of payments actually made thereon; and, in the case of corporations empowered to take private property, the amount of its indebtedness in a general way, shall also be kept posted in its principal place of business; which statement shall be corrected as often as any material change takes place in relation to any part of the subject matter of such statement.

[R. L. ss. 2854, 2855] (7453, 7454)

300.13 CORPORATE EXISTENCE; DURATION, RENEWAL. Subdivision 1. **Period of formation, renewal.** A railroad corporation, or a bank as defined in section 47.01, subdivision 2, or a trust company as defined in section 47.01, subdivision 4, may be formed for any period specified in its certificate of incorporation. A savings bank shall have perpetual succession. Every other corporation, except as (hereinafter) otherwise provided, shall be formed for a period not exceeding 30 years in the first instance, but may be renewed from time to time for a further term not exceeding 30 years, whenever a three-fourths vote of the stock or members, in case of mutual or non-stock corporations represented at any regular meeting, or at any special meeting called for that purpose, which shall have been clearly specified in the call, shall have heretofore or shall hereafter adopt a resolution to that effect; and, in case of stock companies, when those desiring it shall have purchased at its value the stock of those opposed thereto.

Subd. 2. **Exceptions as to renewal.** Any corporation formed under the provisions of the Minnesota Business Corporation Act, or the Minnesota Nonprofit Corporation Act, or a corporation which accepts the provisions of either act, or which elects not to accept them, may not be renewed under this section.

Subd. 3. **Nonprofit cooperative associations, religious corporations; perpetual succession.** Unless otherwise limited by statute or by its articles or certificate of incorporation, a nonprofit cooperative association and a religious corporation formed under Minnesota Statutes 1949, Chapter 315, have perpetual succession. When the limitation is contained in its articles or certificate of incorporation the association or corporation may amend its articles or certificate to provide for perpetual succession.

Subd. 4. **Resolution to enlarge, effect.** Except in the case of a nonprofit cooperative association, or a religious corporation formed under Minnesota Statutes 1949, Chapter 315, the resolution to enlarge the period of corporate existence does not become effective until a duly certified copy of the resolution has been filed, recorded, and published in the same manner as its original articles or certificate of incorporation. A nonprofit cooperative association and a religious corporation formed under Minnesota Statutes 1949, Chapter 315, need not publish the resolution.

[R L s 2856, 2857; 1907 c 468 s 2; 1921 c 39 s 1; 1927 c 32 s 1; 1933 c 189 s 1; 1933 c 300 s 62; 1945 c 509 s 1; 1951 c 550 s 71; 1967 c 260 s 1] (7455, 7456)

300.131 PERPETUAL CORPORATE EXISTENCE FOR INSURANCE COMPANIES. The corporate existence of any insurance company heretofore or hereafter organized under the laws of this state may be made perpetual by so providing in its articles of incorporation or by amendment thereof.

[1943 c. 72 s. 1]

300.14 CERTAIN CORPORATIONS. Subdivision 1. **Consolidation.** Any two or more corporations, except corporations organized for the purpose of carrying on the business of a railroad, bank, savings bank, trust company, building and loan association, or insurance company, or a nonprofit corporation subject to the Minnesota Nonprofit Corporation Act or any part thereof, may consolidate into a single corporation, which may be either one of such consolidating corporations or a new corporation created by such consolidation. The directors, or a majority of them, of such corporations as desire to consolidate, may enter into an agreement signed by them and under the corporate seals of the respective corporations, prescribing the terms and conditions of the consolidation, the mode of carrying the same into effect, and stating such other facts as are deemed applicable among those necessary to be set out in a certificate of incorporation, as provided in section 300.025, as well as the manner and basis of converting the shares of stock of each of the constituent corporations into the shares of the consolidated corporation, whether into the same or a different number of shares of the consolidated corporation and whether par value or no par value stock, with such other details and provisions as are deemed necessary or desirable. The agreement shall state the amount of capital stock with which the consolidated corporation will begin business, which may be any amount not less than the aggregate par value of shares of stock having par value to be distributed in place of previously issued and outstanding shares of stock of the constituent corporations. The agreement may provide for the distribution of cash, notes, or bonds in whole or in part in lieu of stock to stockholders of the constituent corporations, or any of them.

Subd. 2. **Agreement.** The agreement shall be submitted to the stockholders of record of each corporation at a meeting thereof called separately for the purpose of taking the same into consideration. Notice of the time, place, and object of the meeting shall be mailed at least two weeks before the meeting to each stockholder of record, whether entitled to vote or not, at his last known post-office address, as shown by the corporation's records, and at such meeting the agreement shall be considered and a vote by ballot, in person or by proxy, taken for the adoption or rejection of the same. If the votes of stockholders of each corporation holding stock in such corporation entitling them to exercise at least nine-tenths of the voting power on a proposal to consolidate the corporation with another or such other proportion of the stockholders as may be prescribed by the certificate of incorporation for votes on said proposal shall be for the adoption of the agreement, then that fact shall be certified on the agreement by the secretary or assistant secretary of each corporation, under the seal thereof. The agreement so adopted and certified shall be signed by the president or vice-president and secretary or assistant secretary of each corporation under the corporate seal thereof and acknowledged by the president or vice-president thereof to be the respective acts, deeds, and agreements of such corporation. The agreement so certified and acknowledged shall be filed for record with the secretary of state and with the register of deeds of the county of the principal place of business of the consolidated corporation, as specified in the agreement, and published, and proof of such publication filed with the secretary of state, all as prescribed for a certificate of incorporation, and shall thence be taken and deemed to be the agreement and acts of consolidation of the constituent corporations, and the certificate of incorporation of the consolidated corporation. A certified copy thereof shall be evidence of the performance of all antecedent acts and conditions necessary to such consolidation and of the existence of the consolidated corporation.

[1927 c 385 s 1; 1951 c 550 s 72; 1953 c 650 s 22] (7457-12)

300.15 POWERS, RIGHTS, LIABILITIES, AND DUTIES OF CONSOLIDATED CORPORATION. When the agreement is signed, acknowledged, filed for record and published as in section 300.14 is required the separate existence of the constituent corporations shall cease and they shall thereupon become a single corporation in accordance with the agreement, possessing all the rights, privileges, powers, franchises, and immunities as well of a public as of a private nature and being subject to all the liabilities and duties of each of such corporations so consolidated, and all and singular the rights, privileges, powers, franchises, and immunities of

MINNESOTA STATUTES 1969

300.16 GENERAL PROVISIONS RELATING TO CORPORATIONS

3406

each of such corporations and all property, real, personal, and mixed, and all debts owing on whatever account, and all other things in action of or belonging to each of such corporations shall be vested in the consolidated corporation, and all such property, rights, privileges, powers, franchises, immunities, and every other interest shall be thereafter as effectually the property of the consolidated corporation as they were of the several and respective constituent corporations; provided, that all rights of creditors and all liens upon the property of either of the constituent corporations shall be preserved unimpaired, limited in lien to the property affected by such lien at the time of the consolidation; and all debts, liabilities, and duties of the respective constituent corporations shall thenceforth attach to the consolidated corporation and may be enforced against it to the same extent as if the debts, liabilities, and duties had been incurred or contracted by it.

[1927 c. 385 s. 2] (7457-13)

300.16 DISSENTING STOCKHOLDERS; RIGHTS, HOW DETERMINED. If any stockholder entitled to vote in any corporation consolidating, as aforesaid, shall vote against the same and shall, at or prior to the taking of the vote, object thereto in writing, or if any stockholder of record in any corporation consolidating, as aforesaid, not entitled to vote thereon, shall, at or prior to the taking of the vote, object thereto in writing; and, if in either case such stockholders shall within 20 days after the taking of such vote demand in writing that the consolidated corporation make payment of the fair cash value of his stock, the consolidated corporation shall, within 30 days after proof of publication of the consolidation agreement is filed with the secretary of state, as aforesaid, pay to such objecting stockholder the fair cash value of his stock as of the day before such vote was taken. In case of disagreement as to such fair cash value any such stockholder, or the consolidated corporation, within 60 days after proof of publication of the consolidation agreement has been filed, as aforesaid, and upon notice to the opposite party, may petition the district court of the judicial district in which the principal office of the consolidated corporation is established to, and the court shall, appoint three appraisers to appraise the value of such stock. The award of the appraisers, if no written objection thereto is filed by either party within ten days after the same shall have been filed in court, shall be final and conclusive; and, if such objection is so filed, the same shall be tried summarily by the court and judgment rendered thereon. If the amount determined in such proceeding is in excess of such amount as the consolidated corporation shall have offered to pay as the fair cash value of the stock, the court shall assess against the consolidated corporation the costs of the proceeding, including a reasonable attorney's fee to the stockholder and a reasonable fee to the appraisers, as it shall deem equitable; otherwise, such costs and fees to the appraisers shall be assessed, one-half against the corporation and one-half against the stockholder. Any party shall have the right of appeal from the judgment of the court according to then existing laws; provided that the appeal be taken within ten days after the entry of the judgment. Unless the consolidation is abandoned any such stockholder, on the making of the demand in writing, as aforesaid, shall cease to be a stockholder in the constituent corporation and shall have no rights with respect to such stock, except the right to receive payment therefor, as aforesaid, and, upon payment of the agreed fair cash value of the stock or the value of the stock under final judgment, such stockholder or stockholders shall transfer their stock to the consolidated corporation; and, in the event the consolidated corporation shall fail to pay the amount of the judgment within ten days after the same shall become final, the judgment may be collected and enforced in the manner prescribed by law for the enforcement of judgments. Each stockholder in any of the constituent corporations at the time the consolidation becomes effective, entitled to vote, who does not vote against the consolidation and object thereto in writing, as aforesaid, and each stockholder in each of the constituent corporations at the time the consolidation becomes effective, not entitled to vote, who does not object thereto in writing, as aforesaid, shall cease to be a stockholder in such constituent corporation and deemed to have assented to the consolidation and, together with the stockholders voting in favor of the consolidation, entitled to receive certificates of stock in the consolidated corporation or cash or notes or bonds, in the manner and on the terms specified in the agreement of consolidation.

[1927 c. 385 s. 3] (7457-14)

300.17 LIABILITIES OF CORPORATIONS, STOCKHOLDERS, AND OFFICERS; RIGHTS OF CREDITORS. The liability of corporations, or the stockholders

MINNESOTA STATUTES 1969

3407

GENERAL PROVISIONS RELATING TO CORPORATIONS 300.24

or officers thereof, or the rights or remedies of the creditors thereof, or of persons transacting business with such corporations shall not in any way be lessened or impaired by the consolidation of two or more corporations under the provisions of sections 300.14 to 300.19.

[1927 c. 385 s. 5] (7457-16)

300.18 CAPITAL STOCK OF CONSOLIDATED CORPORATION. The capital stock of a consolidated corporation, issued and represented by shares of stock, shall be deemed to be the amount stated in the consolidation agreement as to the amount of capital stock with which the consolidated corporation will begin business, until such time as the corporation shall issue shares of stock in addition to those distributed to the stockholders of its constituent corporations upon the consolidation. Upon the issue of any such additional shares the capital stock issued and represented by shares of stock shall be deemed to be increased by the aggregate par value of all such additional shares of stock having par value and the aggregate amount of money or the actual value of the consideration, as fixed by the directors, or otherwise, received by the corporation for the issuance of all such additional shares without par value.

[1927 c. 385 s. 6] (7457-17)

300.19 FILING FEE. Upon filing any consolidation agreement, as provided for in sections 300.14 to 300.19, there shall be paid to the state treasurer the same fees as required on the filing of a certificate of the corporation, less the total amount of the fees that have been theretofore paid to the state treasurer on account of filing the certificates of incorporation or renewals thereof and any amendments thereto increasing capital stock of all of the corporations parties to such consolidation agreement.

[1927 c. 385 s. 7] (7457-18)

300.20 BOARD OF DIRECTORS, ELECTION; VACANCY, HOW FILLED. The business of every such corporation, except savings banks, shall be managed by a board of at least three directors elected by ballot by and from the stockholders or members. When the certificate of incorporation or the bylaws so provides a vacancy in the board of directors may be filled by the remaining directors. Not more than one-third of the members of the board may be so filled in any one year. The business of savings banks shall be managed by a board of at least seven trustees, residents of the county of its location, each of whom, before being authorized to act, shall file a written acceptance of the trust. A majority of the directors or trustees shall constitute a quorum for the transaction of business. Any action which might be taken at a meeting of the board of directors, trustees, or managers may be taken without a meeting if done in writing signed by all of the directors, trustees, or managers.

[R. L. s. 2858; 1919 c. 311 s. 1; 1941 c. 148] (7458)

300.21 OFFICERS. Every domestic corporation, except when otherwise specially provided, shall have a president, secretary, and treasurer, and may have one or more vice-presidents and other officers, as its certificate of incorporation or bylaws may provide. The time and manner of their election and their respective duties shall be prescribed in the certificate of incorporation or in the bylaws.

[R L s 2859; 1909 c 298 s 1; 1949 c 36 s 1; 1961 c 413 s 1] (7459)

300.22 CLASSIFICATION OF MANAGERS. By so providing in its certificate of incorporation, any corporation may classify its directors or trustees in respect to the time for which they shall severally hold office, the several classes to be elected for different terms; provided, that no class shall be elected for a term of less than one year, or more than five years, and the term of office of at least one class shall expire each year.

[R. L. s. 2860] (7460)

300.23 VOTING, HOW REGULATED. Unless otherwise provided in the certificate or bylaws, at every meeting each stockholder or member, resident or non-resident, shall be entitled to one vote in person, or by proxy made within one year or other time specially limited by law, for each share or other lawful unit of representation held by him in his individual, corporate, or representative capacity, but no stock shall be voted on at any election within 20 days after its transfer on the books of the corporation.

[R. L. s. 2861] (7461)

300.24 CUMULATIVE VOTING. The certificate of incorporation, original or amended, of any corporation now or hereafter organized under the laws of this

state, and thereunder issuing, or authorized to issue, shares of its capital stock, may provide that, at all elections of directors or managers, each stockholder or member shall be entitled to as many votes as shall equal the number of his shares of stock multiplied by the number of directors or managers to be elected, and that he shall cast all of such votes for a single director or manager, or may distribute them among the number to be voted for, or for any two or more of them, as he may see fit, which right when exercised shall be termed "cumulative voting."

[R. L. s. 2862] (7462)

300.25 TRANSFER OF STOCK. Notwithstanding the transfer of a certificate of stock in accordance with the provisions of the uniform commercial code, the corporation shall have the right to pay any dividend thereon and to treat the holder of record as the owner in fact until such time as the transfer has been recorded on its books or a new certificate issued to the transferee, who, upon delivery of the former certificate to the treasurer, or otherwise in accordance with the provisions of the uniform commercial code, shall be entitled to receive such new certificate. Except as provided with respect to corporations formed under or coming within the Minnesota business corporation act, any corporation shall have the right to maintain a personal action against any subscriber to its stock, notwithstanding that such subscriber may have transferred such stock in accordance with the provisions of the uniform commercial code. A pledgee of stock transferred as collateral security shall be entitled to a new certificate, if the instrument of transfer substantially describes the debt or duty intended to be secured thereby. The new certificate shall state on its face that it is held as collateral security and the name of the pledgor, who alone shall be liable as a stockholder and entitled to vote thereon; provided that corporations formed or coming under the Minnesota business corporation act shall not be subject to the provisions of this sentence.

[R L s 2863; 1933 c 300 s 62; 1965 c 812 s 10] (7463)

300.26 EFFECT OF TRANSFER; STOCK BOOKS. The transfer of shares is not binding upon the company until it is regularly entered on the books of the company so far as to show the names of the persons by and to whom transferred, the number or other designation of the shares, and the date of the transfer; and such transfer shall not in any way exempt the person making such transfer from any liabilities of the corporation which were created prior to the transfer. The books of the company shall be so kept as to show intelligibly the original stockholders, their respective interests, the amount which has been paid in on their shares, and all transfers thereof, and such books, or a correct copy thereof, so far as the items mentioned in this section are concerned, shall be subject to the inspection of any person desiring the same.

[R L s 2864; 1965 c 812 s 11] (7464)

300.27 STOCKHOLDERS, LIABILITIES. Subdivision 1. **Personal liability.** Every stockholder shall be personally liable for corporate debts in the following cases:

- (1) For all unpaid instalments on stock owned by him or transferred for the purpose of defrauding creditors;
- (2) For failure by the corporation to comply substantially with the provisions as to organization and publicity; and
- (3) For personally violating any of such provisions in the transaction of any corporate business as officer, director, or member and for fraudulent or dishonest conduct in the discharge of any official duty.

Subd. 2. **Exceptions.** Except as provided by subdivision 1, no stockholder or member of any corporation or of any cooperative corporation or association is liable for any debt of the corporation, cooperative corporation, or association.

Subd. 3. **Existing liabilities.** The provisions of subdivision 2 do not affect any liability existing on April 18, 1931, against stockholders or members of any corporation or any cooperative corporation or association, other than banking or trust corporations or associations, or any liability existing on February 15, 1955, against stockholders of a banking or trust corporation or association; provided that after December 31, 1955, any claim arising under any statute imposing double liability on stockholders or members is barred.

[R L s 2865; 1931 c 210 s 1, 2; 1955 c 15 s 1, 2] (7465, 7465-1, 7465-2)

300.28 PROPERTY OF STOCKHOLDERS LEVIED ON, WHEN. The private property of a stockholder shall not be levied on for any liability specified in section 300.27, subdivision 1, unless both he and the corporation are duly served with process

in the action and the issue involving his individual liability is raised and determined therein; and individual property shall never be levied on until all corporate property which can be found has been exhausted.

[R. L. s. 2866] (7466)

300.29 PROCEDURE OF OFFICER LEVYING. The officer holding an execution, which may be so levied on private property, shall first demand payment of the president, secretary, or other acting officer of the corporation, or who was one of its last acting officers; and, if he fails to forthwith satisfy the execution or point out corporate property upon which it may be levied, the officer shall endorse thereon the fact of such demand and failure to pay and then levy the same upon individual property of any stockholder impleaded and served as aforesaid. Such levy may be made to satisfy any balance due upon an execution after levy upon corporate property, or part payment from corporate funds.

[R. L. s. 2867] (7467)

300.30 CAPITAL STOCK. Except as otherwise provided in this chapter the capital stock of any stock corporation shall in no case be less than \$10,000. It shall be divided into shares of not less than \$1 nor more than \$100 each; but the capital and number of shares may be increased at any regular or specially called meeting of the stockholders.

[R. L. s. 2868] (7468)

300.31 CAPITAL STOCK OF CERTAIN TELEPHONE COMPANIES. The capital stock of corporations formed for the operation of telephone systems in, or connecting, towns or villages of less than 2,000 inhabitants shall in no case be less than \$500.

[1909 c. 68 s. 1] (7469)

300.32 RECORD OF STOCK; REPORTS; DIVIDENDS. In all stock corporations the directors shall cause accurate and complete records to be kept of all corporate proceedings and of all stock subscribed, transferred, canceled, or retired and proper books, accounts, files, and records of all other business transacted. All such books and records shall, at all reasonable times and for all proper purposes, be open to the inspection of any stockholder. Its directors shall when required present to the stockholders written reports of its condition and business and declare such dividends of the profits of the business as they deem advisable, but shall not thereby reduce the capital while there are outstanding liabilities.

[R. L. s. 2869] (7470)

300.323 [Renumbered 501.47]

300.33 CORPORATE STOCK WITHOUT NOMINAL OR PAR VALUE; CLASSES OF; PREFERRED STOCK. Any corporation of this state heretofore or hereafter incorporated, except banks, savings banks, trust companies, building and loan associations, and insurance companies, may create one or more classes of stock without any nominal or par value, with such preferences, voting powers, restrictions, and qualifications thereon not inconsistent with law as shall be expressed in its certificate of incorporation or any amendment thereto. Stock without par value which is preferred as to dividends or as to its distributive share of the assets of the corporation upon dissolution may be made subject to redemption at such times and prices as may be determined in such certificate of incorporation or amendment thereto. In the case of stock without par value which is preferred as to its distributive share of the assets of the corporation upon dissolution, the amount of such preference shall be stated in the certificate of incorporation or amendment thereto.

[1925 c. 333 s. 1] (7470-1)

300.34 CERTIFICATES OF INCORPORATION; STATEMENTS THEREIN AS TO PAR VALUE, WHAT TO CONTAIN. In any case in which the par value of the shares of stock of a corporation shall be required to be stated in the certificate of incorporation or of any amendment thereto or in any other place, it shall be stated in respect to shares without par value that such shares are without par value; and when the amount of such stock authorized, issued, or outstanding shall be required to be stated, the number of shares thereof authorized, issued, or outstanding, as the case may be, shall be stated and that such shares are without par value.

[1925 c. 333 s. 2] (7470-2)

300.35 STOCK CERTIFICATES TO SHOW NUMBER OF SHARES. Each

MINNESOTA STATUTES 1969

300.36 GENERAL PROVISIONS RELATING TO CORPORATIONS

3410

stock certificate issued for shares without nominal or par value shall have plainly written or printed upon its face the number of shares which it represents and no such certificate shall express any nominal or par value of such shares or express any rate of dividend to which it shall be entitled in terms of percentage of any par or other value.

[1925 c. 333 s. 3] (7470-3)

300.36 VALUE FOR DETERMINING PRESCRIBED MINIMUM OR MAXIMUM CAPITAL. For the purpose of determining the minimum or maximum capital prescribed by law for stock corporations, but for no other purpose, such shares shall be taken to be of the value of \$10 each.

[1925 c. 333 s. 4; 1935 c. 230 s. 1] (7470-4)

300.37 VALUE OF CAPITAL STOCK FIXED BY DIRECTORS. For the purpose of any rule of law or of any statutory provision relating to the amount of capital stock issued and represented by shares of stock without par value, except as otherwise provided in this section, such amount shall be taken to be the amount of money or the actual value of the consideration, as fixed by the directors or otherwise in accordance with law, as the case may be, for which such shares of stock shall have been issued. In any case in which stock having a par value shall have been issued with stock without par value for a specified consideration, in determining the amount of the capital stock issued and represented by shares of stock without par value, the par value of such stock having a par value shall first be deducted from the amount of the money or actual value of the consideration determined, as aforesaid, and the excess thereof, if any, shall be taken to be the amount of capital stock represented by the shares of stock without par value so issued.

[1925 c. 333 s. 5] (7470-5)

300.38 INCREASE OR REDUCTION OF VALUE OF CAPITAL STOCK. The number of authorized shares of stock without par value may be increased or reduced in the manner and subject to the conditions provided in section 300.45 and acts supplemental thereto. All other statutory provisions relating to stock having a par value, so far as the same may be legally, necessarily, or practically applicable to, and not inconsistent with, the provisions of sections 300.33 to 300.43, shall apply to stock without par value.

[1925 c. 333 s. 6] (7470-6)

300.39 PAR VALUE STOCK CHANGED TO NON-PAR VALUE STOCK. Any such corporation may change any of its stock, common or preferred, having a par value, to an equal, greater, or less number of shares of stock having no par value; and in connection therewith may fix the amount of capital stock represented by such shares of stock without par value and any such corporation may reduce its capital stock by reducing the number of shares of its stock whether the same have par value or no par value, or by reducing the par value of shares which have a par value, or by reducing the amount of capital stock represented by shares with no par value, or by any and all of such methods.

[1925 c. 333 s. 7] (7470-7)

300.40 CERTIFICATE OF INCORPORATION TO PROVIDE FOR CONVERSION OF SHARES. The certificate of incorporation, or any amendment thereto, of any such corporation may provide that shares of stock of any class shall be convertible into shares of stock of any other class upon such terms and conditions as may be therein stated, except that shares of stock without par value shall not be convertible into shares of stock having par value.

[1925 c. 333 s. 8] (7470-8)

300.41 POWERS OF DIRECTORS TO ISSUE STOCK. Subject to any limitations and restrictions set forth in the certificate of incorporation, any such corporation may, at any meeting called and held for that purpose, empower its directors to issue shares of its unissued, authorized capital stock without par value and may authorize its directors to fix the amount of money or the actual value of the consideration for which such stock shall be issued; provided the certificate of incorporation, or any amendment thereto, of any such corporation may empower the directors thereof to issue from time to time shares of such stock without par value for such consideration as the directors may deem advisable, subject to such limitations and restrictions as may be set forth therein.

[1925 c. 333 s. 9] (7470-9)

300.42 COMPUTATION OF VALUE OF STOCK. For the purpose of deter-

MINNESOTA STATUTES 1969

3411

GENERAL PROVISIONS RELATING TO CORPORATIONS 300.49

mining the amount of stock held or owned by any stockholder, shares without par value shall be computed at the value, at the time of issue, of the cash, property, services, or expenses for which they were issued, but not including paid-in surplus.
[1925 c. 333 s. 10] (7470-10)

300.43 LAWS APPLICABLE. Except as otherwise provided herein all laws applicable to corporations having shares of stock with par value shall apply to corporations issuing shares without par or face value.

[1925 c. 333 s. 11] (7470-11)

300.44 OFFICES WITHOUT AND WITHIN THE STATE. Every domestic corporation may establish offices and conduct business in any other state or country; provided an office, in charge of some person upon whom legal process affecting it may be served, is always maintained in this state.

[R. L. s. 2870] (7471)

300.45 CERTIFICATES OF INCORPORATION, AMENDMENT; EXCEPTIONS. Except for a nonprofit corporation subject to the Minnesota Nonprofit Corporation Act or any part thereof, the certificate of incorporation of any corporation now or hereafter organized and existing under the laws of this state may be amended so as to change its name, or so as to increase or decrease its capital stock, or so as to change the number and par value of the shares of its capital stock or in respect to any other matter which an original certificate of a corporation of the same kind might lawfully have contained, by the adoption of a resolution specifying the proposed amendment at a regular meeting or at a special meeting called for that expressly stated purpose, in either of the following ways:

(1) By a majority vote of all its shares, if a stock corporation; or, if not,

(2) By a majority vote of its members; or, in either case,

(3) By a majority vote of its entire board of directors, trustees, or other managers within one year after having been thereto duly authorized by specific resolution duly adopted at such meeting of stockholders or members, and causing the resolution to be embraced in a certificate duly executed by its president and secretary, or other presiding and recording officers, under its corporate seal, and approved, filed, recorded, and published in the manner prescribed for the execution, approval, filing, recording, and publishing of a like original certificate. If such amendment be made for the purpose of changing the principal place of the business of such corporation, the certificate shall be published, filed, and recorded in the office of the register of deeds of the county of such principal place of business immediately prior to such amendment and recorded in the county where the business is to be carried on after the amendment.

As to a local building and loan association and corporations organized for the establishing, maintaining, and operating of hospitals not for profit, the resolution to amend may be adopted as above provided or by a two-thirds vote of the stockholders or members of the association attending the meeting in person or by proxy.

[R L s 2871; 1913 c 247 s 1; 1917 c 404 s 1; 1923 c 405 s 1; 1927 c 293 s 1; 1929 c 275 s 1; 1951 c 550 s 78; 1953 c 650 s 23] (7472)

300.46 NONPROFIT CORPORATIONS; TRUSTEES. Except for a corporation that is formed under or accepts or is deemed to accept the Minnesota Nonprofit Corporation Act, any corporation other than those for pecuniary profit heretofore or hereafter incorporated by virtue of any law of this state may by resolution of its board of trustees adopted at any regular or called meeting by a majority vote thereof increase or decrease the number of trustees of such corporation and provide for their election and may in such resolution provide for the number of trustees of the corporation which shall constitute a quorum. A copy of the resolution, subscribed and sworn to by the president and secretary of the corporation, shall be recorded in the office of the register of deeds of the county where the corporation is located and in the office of the secretary of the state.

[1917 c 155 s 1; 1951 c 550 s 74] (7473)

300.47, 300.48 [Repealed, 1951 c 550 s 78]

300.49 FILING FEES. Subdivision 1. **Paid to state treasurer.** Domestic corporations shall pay to the state treasurer the following fees:

(1) For filing articles of incorporation or instruments extending or renewing corporate existence, \$62.50 for the first \$25,000 or fraction thereof of the par value of its authorized shares, and \$1.25 for each additional \$1,000 or fraction thereof;

(2) For filing any amendment of articles of incorporation increasing the au-

thorized number of shares, or the par value of shares previously authorized, or both, \$1.25 for each \$1,000 or fraction thereof of such increase.

Subd. 2. Value of shares fixed. For the purpose of determining the fees prescribed by subdivision 1, but for no other purpose, shares without par value shall be deemed to have a par value of \$10 each, unless such shares are entitled to priority over other shares upon liquidation, in which case the involuntary liquidation price stated in the articles of incorporation shall be deemed to be the par value thereof, or unless the capital stock is reduced pursuant to section 300.39 in which case shares without par value shall be computed at the value, at the time of filing the amendment to the articles of incorporation, as shown by a verified statement of assets and liabilities subscribed by the president and the secretary of the corporation.

Subd. 3. Exceptions. This section shall not apply to cooperative associations or corporations organized without capital stock and not for pecuniary profit.

[*R. L. s. 2873; 1907 c 329 s 1; 1909 c 202 s 1; 1935 c 230 s 2; 1945 c 238 s 1; 1955 c 820 s 22; 1969 c 1148 s 44*] (7475)

300.50 [Repealed, 1951 c 550 s 78]

300.51 CERTIFICATE OF INCORPORATION ISSUED BY SECRETARY OF STATE. Whenever any such corporation, whose incorporation has been completed, shall make application therefor to the secretary of state and pay the prescribed fee, he shall execute, record, and issue a certificate, specifying the names of its incorporators, its nature and purpose, the amount of its capital stock, the fact of its compliance with all prescribed statutory provisions, and that it is duly organized and exists as a corporation under the name and of the kind specified, with the powers, rights, and privileges, and subject to the limitations and restrictions pertaining thereto. Such certificate shall be prima facie evidence of the facts stated therein.

[*R. L. s. 2874*] (7476)

300.52 MEETINGS. Subdivision 1. **How called.** The first meeting of every corporation, except as otherwise prescribed in its certificate of incorporation, shall be called upon not less than three weeks' prior personal or published notice, signed by one of the incorporators, to the others, and to each subscriber, if any, to its capital stock, specifying the time, place, and purpose thereof. Unless otherwise provided in the certificate of incorporation or corporate by-laws, every annual meeting shall be called and held at its principal place of business upon three weeks' published notice thereof, signed by its secretary, and no business transacted at any annual meeting not so called and held shall be effectual. The manner of calling and holding all meetings may be prescribed by its by-laws.

Subd. 2. Members may call, when. When by reason of the death, absence, or other legal disability of the officers of any corporation there is no person authorized to call or preside at a legal meeting thereof, any three or more of its stockholders or members may call a meeting by giving to all the others the notice prescribed in subdivision 1 and designating therein some person to preside at such meeting until a chairman and clerk are chosen, who shall act during the absence of those authorized to act in one or both of those capacities, respectively. Any business may be done at such meeting which could be lawfully transacted at a regular meeting.

[*R. L. ss. 2875, 2876*] (7477, 7478)

300.53 IRREGULAR MEETINGS, HOW VALIDATED. When all the stockholders or members of a corporation are present or duly represented at any meeting, however called or notified, and duly execute a written assent thereto on the records thereof the business transacted at such meeting shall be as valid as if it had been legally called.

[*R. L. s. 2877*] (7479)

300.54 CAPITAL STOCK; HOW CLASSIFIED AND ISSUED. Save as otherwise specially limited or provided no corporation shall issue any share of stock for a less amount to be actually paid in than the par value of those first issued. Any railroad or exclusively manufacturing corporation may issue and dispose of such an amount of special preferred, or full-paid stock as may be deemed advisable by its board of directors. Any corporation, whose original or amended certificate of incorporation so provides, may issue and dispose of special and preferred and common stock, or special or preferred and common stock; and any corporation, without change of its certificate of incorporation, when its board of directors is so

MINNESOTA STATUTES 1969

3413

GENERAL PROVISIONS RELATING TO CORPORATIONS 300.62

authorized by a majority vote of its stockholders at its annual meeting, or at a meeting called for that specifically stated purpose, may issue its capital stock, part special, part preferred, and part common, or part common and part either special or preferred, and give such preference as it deems best to such special or preferred stock, or to such special and preferred stock.

[R. L. s. 2878] (7480)

300.55 STOCK CERTIFICATES, TO WHOM ISSUED. Upon payment in full of all amounts due any corporation from any person upon any certificate of its stock, and the surrender of all receipts, if any, issued therefor, he shall be furnished with a certificate, under the corporate seal, stating the number of shares and class of its stock owned by him, signed by its president or vice-president, and by its secretary, or by such officers as the certificate of incorporation or by-laws may provide, but when a certificate is signed by a transfer agent or registrar the signature of any such corporate officer and the corporate seal upon such certificate may be facsimiles, engraved, or printed. The certificate shall be prima facie evidence of such ownership.

[R L s 2879; 1963 c 299 s 1] (7481)

300.56 [Repealed, 1965 c 811 art 10 s 336.10-102]

300.57 EXECUTORS, ADMINISTRATORS, GUARDIANS, TRUSTEES MAY VOTE. Every executor, administrator, guardian, or trustee shall represent the shares of stock in his hands, for all purposes, at all meetings of the corporation; and, while acting in good faith, shall not be personally liable, but the estates and funds in his hands shall be liable in like manner and to the same extent as the beneficiary or other represented party or interest would be if competent to act and holding the stock in their own names, respectively.

[R. L. s. 2881] (7483)

300.58 DISSOLUTION OF CORPORATIONS; EXCEPTIONS. When any corporation, except a bank of discount and deposit, or a savings bank, or a nonprofit corporation subject to the Minnesota Nonprofit Corporation Act or any part thereof, has determined, upon the affirmative vote of a majority of each class of its stock entitled to vote, or of its members, if without capital stock, that it is for the interest of all persons concerned therein that it be dissolved, it may cause appropriate action to be taken to effect such dissolution.

[R L s 2882; 1951 c 550 s 75; 1953 c 650 s 24] (7484)

300.59 CONTINUANCE TO CLOSE AFFAIRS; EXCEPTIONS. Except for a corporation subject to the Minnesota Nonprofit Corporation Act or any part thereof, every corporation whose existence terminates by limitation, forfeiture, or otherwise shall continue for three years thereafter for the purpose of prosecuting and defending actions, closing its affairs, disposing of its property, and dividing its capital, but for no other purpose.

[R L s 2883; 1951 c 550 s 76; 1953 c 650 s 25] (7485)

300.60 DIVERSION OF CORPORATE PROPERTY A FELONY. The diversion of corporate property to other objects than those specified in the recorded and published certificate, where injury to any individual results therefrom, the declaring of dividends when the profits are insufficient to pay the same or when the funds remaining will not meet the corporate liabilities, or any intentional deception of the public or individuals in relation to its means or liabilities, are felonies, and every person guilty of any one of them shall be punished by a fine of not more than \$5,000 or by imprisonment in the state prison for not more than three years, or by both.

[R. L. s. 2884] (7489)

300.61 FALSE STATEMENT A FELONY. Every officer, agent, or employee of any corporation who shall knowingly and wilfully subscribe or make any false statement, false report, or false entry in or upon any of the books, papers, or other documents thereof, or in behalf thereof, or knowingly and wilfully subscribe or exhibit any false paper, book, or document with intent to deceive any person or officer authorized to examine the financial condition of any such corporation, or knowingly and wilfully subscribe or make any false report, shall be guilty of a felony and punished by imprisonment in the state prison for not less than one year, nor more than ten years.

[R. L. s. 2885] (7490)

300.62 EXISTING CORPORATION, HOW TO REORGANIZE. Any existing

corporation whose certificate or charter does not conform to the requirements of this chapter may cause to be executed by its president and secretary a new or amended certificate in compliance herewith and, upon proceeding in all respects as is prescribed in the case of an original certificate of a corporation of the same kind, shall become entitled to all rights, benefits, and privileges conferred, and subject to all the requirements imposed, upon like corporations by the provisions of this chapter, save that its rights in respect to property acquired or investments made prior to the taking effect of Revised Laws 1905 shall be determined and governed by the laws in force at the date of such acquisition and investment, respectively.

[R. L. s. 2886] (7491)

300.63 ATTORNEY GENERAL TO EXAMINE. When required by the governor the attorney general shall examine into the affairs and condition of any corporation and report such examination in writing, together with a detailed statement of the facts found, to the governor, who shall lay the same before the legislature; and the legislature, or either branch thereof, may examine into the affairs and condition of any such corporation. The attorney general, or either branch of the legislature through a committee appointed by it for that purpose, may administer oaths to and examine the directors and officers of any corporation on oath in relation to its affairs and condition, may examine the vaults, books, papers, and documents belonging thereto or pertaining to its affairs and condition, and compel the production of all keys, books, papers, and documents.

[R. L. s. 2887] (7492)

300.64 WITHDRAWAL OF CAPITAL; LIABILITY OF STOCKHOLDERS; PAYMENT OF DIVIDEND WHEN INSOLVENT, ASSENTING DIRECTORS LIABLE. If the capital stock of a manufacturing corporation is withdrawn and refunded to the stockholders before the payment of corporate debts for which it would have been liable, the stockholders shall be liable to any creditor, to the amount of the sum so refunded to each of them, respectively; but, if, in any action under this statute, any stockholder shall be compelled to pay any such debt, he may call upon every stockholder to whom any part of such stock has been refunded to contribute his proportionate share of the sum so paid by him. If the directors shall pay a dividend when such corporation is insolvent, knowing such corporation to be insolvent, or that such dividend would render it so, or when its payment would render it insolvent, those assenting thereto shall be jointly and severally liable in an action on the statute for all debts due from such corporation at the time of such dividend. Every officer who shall intentionally neglect or refuse to perform any duty imposed upon him by law shall be liable for all corporate debts contracted during the period of such neglect; and, if the corporation shall violate any provision of law whereby it becomes insolvent, the directors ordering or assenting to such violation shall be liable in an action under the statute for all debts contracted after such violation.

[R. L. s. 3069] (7776)

300.65 MEETINGS OF MINING CORPORATIONS, WHERE HELD; MAY HOLD STOCK IN OTHER COMPANIES; FRAUDULENT ISSUE OF STOCK A FELONY. The directors, managing officers, or stockholders of a mining corporation may meet and transact business without the state, and may establish offices elsewhere; but an office shall always be maintained within the state where legal process may be served. Every such corporation may acquire and hold stock in any other corporation, if a majority in amount of the stockholders agree thereto. Every officer of such corporation or other person who shall fraudulently issue, or cause to be issued, any stock, scrip, or evidence of corporate debt, or who shall sell, offer for sale, hypothecate, or otherwise dispose of any such stock, scrip, or evidence of debt, knowing the same to be fraudulently issued, shall be guilty of a felony.

[R. L. s. 3071] (7778)

300.66 CONTRIBUTIONS BY CORPORATIONS. Subdivision 1. Any corporation heretofore or hereafter organized under the laws of this state or any corporation authorized to do business in this state may contribute to or for the uses enumerated in the following subdivisions of this section such sums as its board of directors or trustees may deem proper.

Subd. 2. It may contribute to the United States, any state, territory or any political subdivision thereof or the District of Columbia, or any possession of the United States, for exclusively public purposes.

Subd. 3. It may contribute to any community chest, corporation, organization,

MINNESOTA STATUTES 1969

3415

GENERAL PROVISIONS RELATING TO CORPORATIONS 300.68

trust, fund, association or foundation, organized and operating for religious, charitable, philanthropic, benevolent, scientific, veteran rehabilitation service, literary, artistic, educational, civic or patriotic purposes or for the prevention of cruelty to children or animals.

Subd. 4. It may contribute to a fraternal society, order or association, operating under the lodge system if such contributions or gifts are to be used for the purposes specified in subdivision 3, or posts or organizations of war veterans or any auxiliary unit or society of such posts or organizations if no part of their net income inures to the benefit of any private shareholder or individual.

[1949 c 156 s 1]

300.67 DECLARATION OF POLICIES. It is hereby declared to be the public policy of the state of Minnesota that any contributions made in accordance with the provisions of section 300.66 shall constitute a valid and proper use of corporate funds, and in the absence of an express provision in its charter to the contrary, the making of such contributions or gifts by any corporation is within its powers and inures to the benefit of such corporation.

[1949 c 156 s 2]

300.68 NOT TO INVALIDATE PRIOR GIFTS. Sections 300.66 and 300.67 shall not be construed as invalidating any such contributions or gifts heretofore made by any such corporation, and all such contributions or gifts made by such corporations prior to the enactment hereof shall be as valid as if made after the effective date hereof.

[1949 c 156 s 3]