

CHAPTER 182.

DOMESTIC CORPORATIONS—1949 LAW.

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[182.01 to 182.26 Stats. 1949 renumbered sections 182.201 to 182.226 by 1951 c. 731]

182.001 Who may incorporate; purposes of incorporation. Three or more adult residents of this state may form a corporation in the manner provided in this chapter for any lawful business or purpose whatever, except banking, insurance and building or operating public railroads, but subject always to provisions elsewhere in the statutes relating to the organization of specified kinds or classes of corporations.

History: 1951 c. 731.

Note: New corporations may elect to incorporate under ch. 180. See sec. 8, ch. 731, Laws 1951.

182.002 Articles. (1) **CONTENTS.** The persons desiring to form a corporation shall sign and acknowledge articles containing:

(a) A declaration that they associate to form a corporation under these statutes, and of the business or purposes thereof.

(b) The name of such corporation, but such name shall not contain the names of individuals in the manner in which they are ordinarily used in partnership or business names, and shall be such as to distinguish it from any other domestic corporation and from any corporation licensed in this state. In case of reorganization, the name of the old corporation may be used.

(c) The location of such corporation in some city, village or town in the state.

(d) The capital stock, if any, the number of shares and the amount of each share.

(dm) A statement of the minimum amount of capital, with which the corporation will commence business which shall not be less than \$500.

(e) The designation of general officers and the number of directors, which shall be such number as may be fixed by the articles of incorporation, or, if the articles of incorporation so provide, by the by-laws, but which shall not be less than 3.

(f) The principal duties of each general officer.

(g) The method and conditions upon which members shall be accepted, discharged or expelled; and in stock corporations, persons holding stock, according to the regulations of the corporation, and they only, shall be members.

(h) Such other provisions, not inconsistent with law, as they may deem proper to be therein inserted.

(2) **FILING AND RECORDING.** The original articles or a true copy thereof, verified as such by the affidavits of 2 of the signers thereof, shall be filed with the secretary of state. A like verified copy and certificate of the secretary of state, showing the date when such articles were filed by the secretary of state, within 30 days of such filing, shall be recorded by the register of deeds of the county in which such corporation is located, and no corporation shall, until such articles be left for record, have legal existence. The register of deeds shall forthwith transmit to the secretary of state a certificate stating the time when such copy was recorded, and shall be entitled to a fee of 25 cents therefor to be paid by the person presenting such papers for record. Upon receipt of such certificate the secretary of state shall issue a certificate of incorporation.

(3) **FILING FEES.** Filing fees shall be paid to the secretary of state as follows:

(a) By corporations organized for the manufacture of beet sugar, butter, cheese, or other dairy products, or for the business of preparing for market, storing, and selling products of the farms of members of the corporations, \$10 for the articles and \$5 for each amendment thereof.

(b) By every other corporation, except as is otherwise provided, \$25 for the articles and \$10 for each amendment thereof, and one dollar for each \$1,000 of its authorized capital stock in excess of \$25,000.

(c) By any corporation organized without capital stock, or exclusively for educational, benevolent, charitable or reformatory purposes, the articles of which provide that no dividend or pecuniary profits shall be declared or paid to the members thereof, \$5 for the articles and \$2 for each amendment. No filing fee is required to be paid by a housing corporation formed under the provisions of section 182.004.

History: 1951 c. 731.

182.0025 Veterans; corporations. Whenever any corporation shall be formed under sections 182.001 to 182.034 and chapter 188 for the purpose of assisting veterans of any war of the United States, or operating social clubs in which the name "veteran" appears, the secretary of state shall investigate the same to ascertain the character thereof, and whether or not the same has been procured by fraudulent representation or concealment of any material fact relating to such veteran's name, purpose, membership, organization, management or control or other material fact. In the event the secretary of state shall so find, such findings, misrepresentation or concealment shall be reported to the attorney-general, and the attorney-general thereupon shall as provided in section 286.35 bring an action to vacate or annul such corporate charter.

History: 1951 c. 731.

182.003 Executors or trustees may form corporation. The executors or trustees under any will or one or more of such executors or trustees who are authorized by the will to organize a corporation for any of the purposes authorized by this chapter may, individually or as executors or trustees, or together with the legatees mentioned in such will, or one or more of such executors, trustees or legatees, associating with him or them such other persons as may be necessary, incorporate for the purpose of carrying out the intentions of the testator, and said executors, trustees or legatees, or 2 or more of them, may subscribe to the capital stock of such corporation to the amount of the value of the property mentioned or referred to in the will for such purpose, and convey such property to the corporation in payment of the stock subscribed, without authority from any court.

History: 1951 c. 731.

182.004 Housing corporations. (1) The articles of a corporation formed for the purpose of acquiring land, platting the same, erecting houses thereon and otherwise improving and developing the same, shall state that the purpose is to form a housing corporation under these statutes. The articles shall further provide for the issuance of preferred stock, and for the payment of dividends thereon, at a specified rate, before dividends are paid upon common stock, and for the accumulation of such dividends. No preference shall be given to such preferred stock in the distribution of the corporate assets other than profits.

(2) Such corporation shall have the powers enumerated in section 182.201 and subsection (2) of section 182.011, except as herein provided otherwise.

(3) Such corporation shall have the following additional powers:

(a) To acquire land and plat the same, laying out streets, lots, playgrounds and such other subdivisions as it may deem best; but no plat shall be valid until approved by the public land commission or city planning commission of the city in which the property of

such corporation is located, or if such land be located within 6 miles of a city of the first class, by the public land commission or city planning commission of such city of the first class, if there be a public land commission or city planning commission in such city, and until accepted by the common council of the city within which such land is located, or if within 6 miles of a city of the first class, until accepted by the common council of such city of the first class; and no land shall be acquired by the corporation in any city or within 6 miles from the boundary of a city having a health department or health officer, unless and until the location of such land has been approved by said health department or health officer as a healthful location.

(b) To improve and develop said land for residential purposes; but no single dwelling shall be erected, the cost of which shall exceed \$10,000, and sufficient ground space must be provided to furnish adequate air and light to the tenants thereof.

(c) To lease for indefinite periods parcels of land owned by it together with improvements thereon.

(d) To do all such other things as are reasonably necessary and proper to carry out the powers of said corporation, not inconsistent with the provisions of this section.

(e) To hold its first meeting and transact business with its members at any time after one-fourth of its capital stock shall have been subscribed; and may transact business with others than its members when one-fourth of its capital stock shall have been duly subscribed and one-tenth of its authorized capital stock actually paid in.

(4) No land shall be sold by the corporation, except land not necessary or desirable for the purposes of the corporation, and except improved real estate where the entire purchase price is paid in cash, and except when acting pursuant to the provisions of subsection (11) of this section, and then only by a vote of three-fourths of the stock of the corporation then outstanding.

(5) No lease of any land or buildings shall be made except to a stockholder for his use, and no tenant shall hold stock beyond the value of the premises occupied by him, except that single buildings designed, built and fit for more than one family may be leased in their entirety to a stockholder, who may sublease the portion not occupied by himself or his family to any person; but leases for an indefinite period may be made to American soldiers, sailors or marines of World War I and World War II, who are not stockholders. The corporation may also lease land to the city or county for any use consistent with the residential district, or to a private individual or association of the corporation, for a use beneficial to the tenants of said land. No lease shall be terminated by the corporation without the consent of the lessee, except for violation of the terms of the lease, and then only in the manner provided by law. A lease may be terminated at any time by a tenant, except that the corporation may require not to exceed 90 days' notice thereof. At the termination of a lease of a stockholder, the corporation shall cancel his stock, and shall be liable to him for the amount paid thereon, less any lawful claims of the corporation against him. If the corporation is unable to sell said stock at the termination of the lease, it shall give him, in lieu of said stock, its promissory note for the net amount due him, payable on or before one year from the date thereof, with interest at the rate of 5 per cent per annum. Such stock shall be resold for not less than par before any unissued stock is sold, and as soon as sold, there shall be paid to the former owner thereof the amount due him from the corporation; provided, the corporation may pay the amount due either at the time of the termination of the lease or at any other time before the expiration of said year, whether said stock has been sold or not.

(6) Stock may be issued and leases made to husband and wife, and to the survivor of them, in which event title thereto shall descend the same as in like conveyances of real property; otherwise title to the stock and lease shall descend to the persons to whom a homestead of such stockholder would descend. The interest of a tenant in such lease and stock shall be exempt from execution to the same extent as a homestead in real estate.

(7) Stock shall be sold upon such terms and conditions as may be provided in the articles or by-laws of the corporation. The provisions of section 182.219 shall not apply to corporations organized under this section, but no dividends shall be declared until a surplus fund shall have been created equal to 2 per cent of the paid-in preferred stock and paid-in common stock, nor shall any dividends ever be declared which will impair the capital or such surplus, and no dividend exceeding 5 per cent per annum shall be paid except to a tenant stockholder. There shall also be annually set aside 10 per cent of the year's profits for the purpose of retiring preferred stock.

(8) The common council of any city and the board of supervisors of any county may subscribe for preferred stock of any such corporation whose land, owned or to be acquired, shall be within the limits of such city or county, and in case of a city of the first class, within a distance of 6 miles beyond the boundaries of such city.

(9) The stockholders shall be entitled to one vote for each share of stock, common or preferred, held by them, as shown by the books of the company. The common council of

the city and the board of supervisors of the county shall designate some person to vote their shares; and the person so designated shall be eligible as a director.

(10) The directors shall receive no compensation until the surplus fund of 2 per cent of the capital has been set aside, and until the dividends on preferred stock have been paid, and at no time shall the compensation of directors exceed \$500 each per annum.

(11) When the land shall have been platted, the directors shall fix the value of the several lots and parcels of land to be used for residential purposes, and thereafter in computing the rental to be paid therefor a valuation not exceeding that so fixed shall be used.

(12) Outstanding notes or paid-up preferred or common stock may be exchanged for land contracts, mortgages or bonds of such corporation. Exchanged stock shall be canceled.

(13) Any such corporation may be dissolved in the manner provided in this chapter, except that the resolution providing for the dissolution must be adopted by at least a majority vote of all of the stock, both common and preferred, and that after such vote the affairs of the corporation shall be placed in the hands of a trustee elected by the board of directors. Said trustee shall sell all assets on land contract or otherwise. Said corporation shall have power to pass free legal title to any purchaser or grantee of any lands, and any assignment or sale of any lands by such trustee shall pass the title of such corporation in such lands.

History: 1951 c. 731.

182.005 Water reservoirs. The articles of a corporation organized in whole or in part to establish, maintain or operate a system of water reservoirs for the purpose of regulating the flow of any river in the state shall guarantee to every owner of water power located below such reservoir system, who does not already own his quota of stock, the right at any time to purchase from the corporation at par such a pro rata share of all of the capital stock of the corporation as the cubic foot storage fall of the water power of such owner shall be of the sum of the cubic foot storage falls of all water powers benefited by such reservoir system. The cubic foot storage fall of any water power is the product of the height expressed in feet of the head obtained or obtainable by the dam at said power, multiplied by the storage capacity expressed in cubic feet of the reservoirs tributary to such power. The articles shall never be amended so as to withdraw said guaranty.

History: 1951 c. 731.

182.006 Temporary control; liability of promoters; abandonment. (1) Until the directors or trustees shall be elected the signers of the articles of organization shall have direction of the affairs of the corporation and shall make such rules as may be necessary for perfecting its organization, accepting members or regulating the subscription of the capital stock, including the price of nonpar stock.

(2) In nonstock corporations the first meeting shall be held at such time and place as a majority of the signers of the articles may determine, notice whereof shall be given as provided in subsection (3).

(3) In stock corporations the first meeting may be held at any time after the minimum amount of capital with which it will commence business shall have been subscribed; and may be called by 2 signers of the articles, at such time and place as they shall appoint, by giving 10 days' written notice thereof to each subscriber, or by publishing notice thereof once each week for at least 2 weeks before such meeting in some newspaper published at or nearest to the location of the corporation; or such meeting may be held without previous notice if all the subscribers for voting stock be present in person or by proxy.

(4) The corporation shall not transact business with any others than its members until the minimum amount of capital with which the corporation will commence business has been actually paid in. If any obligation shall be contracted in violation hereof, the corporation offending shall have no right of action thereon; but the signer or signers of the articles and the subscriber or subscribers for stock transacting such business or authorizing the same, or having knowledge thereof, consenting to the incurring of any debt or liability, as well as the stockholders then existing, shall be personally liable upon the same.

(5) The signers of the articles or the survivors of them may abandon the organization and revoke the articles or amend the same at any time before the minimum amount of its capital with which the corporation will commence business has been paid in, by signing and acknowledging a written revocation of, or amendment to the original articles of organization, and filing and recording the same or verified copies thereof, in the manner that articles and copies are required to be filed and recorded; and the register of deeds shall note on the margin of the record of the articles of incorporation the volume and page where such revocation or amendment is recorded, and shall forthwith transmit to the secretary of state a certificate stating the time when such revocation or amendment was recorded, and shall be entitled to a fee of 25 cents therefor.

(6) The revocation shall not relieve such corporation or any signer or subscriber for stock or any stockholder from any liability. Any subscriber may be released from his sub-

scription upon application within 10 days after notice of an amendment of the articles as herein provided. Any amendment of articles by incorporators prior to June 14, 1923, pursuant to and in substantial compliance with this section, shall be and the same is hereby validated.

History: 1951 c. 731.

182.007 Amending articles; filing and record; change of name. (1) Any corporation organized for any of the purposes authorized by this chapter may, by a vote of two-thirds of all the stock outstanding and entitled to vote, or one-half of the members of a corporation without stock, unless a greater vote shall be required in its articles, amend its articles so as to modify or enlarge its business or purposes, change its name or location, increase or diminish its capital stock, change its officers or its directors, or provide anything which might have been originally provided in such articles, but no corporation without stock other than a community fund, community chest or community union corporation of a kind mentioned in subsection (1m) shall change substantially the original purposes of its organization; no community fund, community chest or community union corporation of a kind mentioned in subsection (1m) shall change substantially the original purposes of its organization except upon the affirmative vote of at least two-thirds of its members entitled to vote, at a meeting called for that purpose and in no event shall its purposes be other than charitable. The amendment shall be adopted only in accordance with the articles, if a mode of amending the same shall have been therein prescribed.

(1m) Any nonstock corporation organized under this chapter solely for charitable purposes and any community fund, community chest or community union corporation, organized for the purpose of raising funds for and serving community and public welfare agencies or services may, in addition to any method provided in its articles of organization, amend its articles at any annual meeting or at any special meeting duly called for that purpose. Notice of such meeting shall be published not less than 30 days prior thereto in a newspaper of general circulation in the area. The notice shall specify the time and place of such meeting, that such amendment will be proposed and a copy thereof. Unless otherwise provided in the articles 10 members shall constitute a quorum, and the amendment may be adopted by affirmative vote of two-thirds of the members present.

(2) Duplicate copies of such amendment, with a certificate thereto affixed, signed by the president and secretary, or if none, the correspondent officers, and sealed with the corporate seal, if there be any, stating the fact and date of adoption, and, if a stock corporation, the total number of shares voting in favor of such amendment, and, if a nonstock corporation, the total number of members and the total vote in favor of such amendment, and that such copy is a true copy of the original, shall be filed and recorded in the time, manner and place required for filing and recording original articles, and in case of failure so to do, such officers shall forfeit \$25.

(3) The register of deeds shall note on the margin of the record of the original articles, the volume and page where such amendment is recorded, and no amendment shall be of effect until so filed and recorded. The register of deeds shall forthwith transmit to the secretary of state a certificate stating the time when such amendment was recorded, and shall be entitled to a fee of 25 cents therefor. Upon receipt of such certificate the secretary of state shall issue a certificate of amendment.

(4) Whenever the corporate name shall be changed, the secretary of the corporation shall publish a notice thereof in a newspaper published at or nearest to the location of such corporation once each week for 3 weeks, and if he shall fail for 2 months so to do shall forfeit \$25. No change of location of any such corporation, if beyond the limits of the county, shall be valid until the articles of organization and all amendments or certified copies thereof shall have been recorded in the office of the register of deeds of the county to which the same shall be changed.

(5) Whenever any shares of any class of preferred stock shall have been redeemed or retired or shall have been surrendered to the corporation on the exchange thereof for other shares of the corporation pursuant to the provisions of the articles of incorporation, the authorized preferred stock of such class shall upon the filing and recording of a certificate executed as hereinafter provided be reduced to the extent of the aggregate par value of the shares so redeemed, purchased, retired or exchanged. The certificate herein authorized shall be executed, filed and recorded in the form and manner required by section 182.007 for an amendment to the articles and accompanied by the same filing fee and thereupon the capital of the corporation shall thereby be reduced by the amount thereof so applied to such redemption or purchase, and the filing and recording of such certificate containing the recital of such fact shall constitute an amendment to the articles of incorporation effecting reduction of the authorized capital stock of the corporation to the extent of the aggregate of the shares so redeemed, purchased, retired or surrendered on exchange. If the shares so redeemed, purchased, retired, surrendered or exchanged constitute all the outstanding shares of the particular class of preferred stock and the reissue thereof is pro-

hibited by the articles of incorporation, the filing and recording of such certificate containing a recital of such fact shall constitute an amendment to the articles of incorporation effecting reduction in the authorized capital stock of the corporation by elimination therefrom of all reference to said particular class of preferred stock. The register of deeds shall note on the margin of the record of the original articles the volume and page where such certificate is recorded and shall forthwith transmit to the secretary of state a certificate stating the time of recording and shall be entitled to a fee of 25 cents therefor. Upon receipt of such certificate from the register of deeds the secretary of state shall issue a certificate of amendment.

History: 1951 c. 731.

182.008 Annual reports; forfeiture; reinstatement. (1) Every corporation organized for profit, under this chapter, shall annually, between the first day of January and of April, file with the secretary of state, a report signed by the president, secretary, treasurer or general manager, or if the corporation is in the hands of an assignee or receiver, by such assignee or receiver, as of January first preceding, which shall state:

- (a) The name of such corporation and location, giving street and number.
- (b) The name and address of the officers and directors of such corporation, giving street and number.
- (c) The amount of authorized capital stock.
- (d) The amount of capital stock actually paid in.
- (e) Whether such corporation was engaged in active business during preceding year.
- (f) Nature of business transacted during preceding year.
- (g) In what states such corporation is licensed to transact business.

(2) In case said report is not filed by July first, the secretary of state shall publish, once a week for 3 successive weeks, a notice of such failure, in a newspaper published at or near the location of said corporation; and forward a copy of said notice to the register of deeds of the county in which the corporation is located, and the register shall promptly post the notice in his office. Such corporation shall be allowed to file its said annual report prior to May first on payment of a forfeit of \$5 and thereafter but prior to publication on payment of a forfeit of \$10, and after publication on payment of a forfeit of \$10 and of the costs of publication. In case said report is not filed by the following January, the corporate rights and privileges granted to such corporation shall be declared forfeited by the secretary of state, and he shall enter such forfeiture on the records of his department.

(3) The cost of publishing the notice shall be paid out of the state treasury and shall be at the same rate as legal notices.

(4) The secretary of state shall, during each December, forward report blanks to every corporation required to make an annual report.

(5) Whenever any change is made in the officers of such corporation, the names and addresses of the officers elected shall be filed with the secretary of state within 20 days after such change.

(6) The secretary of state may rescind the forfeiture on payment of \$25 and presentation of a statement signed by the president and secretary of the corporation to the effect that such corporation has at no time suspended its ordinary business; or that the corporation at the time of the forfeiture held title to or transferable interests in real estate. The secretary of state may demand such further proof as he may deem necessary.

History: 1951 c. 731.

The cost of publishing the notice is provided in 35.69. 39 Atty. Gen. 53.

182.011 Corporate powers. (1) **RIGHTS OF PERSONS.** Every corporation may take and acquire by lease, purchase, sale, conveyance or assignment and thereafter own, hold and enjoy any right, privilege or franchise granted to any person by any law of this state where such right, privilege or franchise would be in direct aid of the business of such corporation.

(2) **TRANSFERS OF PROPERTY.** Every corporation may, by a vote of a majority of the stock entitled to vote, sell and convey or authorize to be conveyed, all or any portion of the property owned by it, or mortgage or lease any such property whenever it shall be necessary for its business or the protection or benefit of its property.

(3) **SAME; EXCEPTIONS.** But any corporation organized to deal in real property or in fixtures, improvements or chattels real, or to mortgage, pledge or dispose of the same in any manner whatsoever, may sell, mortgage, pledge or otherwise dispose of the same by instruments executed in the manner provided by section 235.01 or in such manner as shall be provided in the articles of incorporation, without further authorization by the members, stockholders or directors of any such corporation.

History: 1951 c. 703, 731.

A corporation may even without con- its property for the benefit of individual sideration give away its assets, or mortgage stockholders or officers, where all of the

stockholders assent to such transaction, and where there are no corporate creditors and there is no statute expressly forbidding such transaction. *Western Industries, Inc. v. Vilter Mfg. Co.* 257 W 268, 43 NW (2d) 430.

182.012 Special power to transfer property of nonstock corporation. (1) Whenever the board of directors of any domestic corporation organized without capital stock shall determine that a sale or mortgaging of the whole or any part of its property is desirable, and that by reason of the removal, nonresidence of a great number of its members, or the loss of its records of membership, or other cause, it is impossible to call or hold any regular meeting at which a majority of the members can be represented in person or by proxy, the said board may cause a verified petition to be made in behalf of said corporation and presented to the circuit judge of the county in which said corporation shall have its location. Such petition shall set forth the date of the organization and the purpose of said corporation, the nature and extent of its property, reasons for the sale or mortgaging of the whole or any part thereof, the facts preventing the calling or holding of a meeting of a majority of its members and such other matters as may be deemed material. Upon presentation thereof the circuit judge shall by order fix a time and place for a meeting of the members of such corporation and prescribe the time and manner of giving, and contents of a notice of said meeting, and direct the publication thereof in a newspaper designated in said order as the one most likely to give general notice of such meeting.

(2) A majority of the members present at any meeting so called shall have power to sell, convey or mortgage or authorize to be sold, conveyed or mortgaged the whole or any part of the property described in such petition.

(3) If such sale or mortgaging be approved or authorized, the officers of said corporation shall cause the petition, the order of the judge, proof by affidavit of the giving of notice of said meeting as required by said order and a certified copy of the minutes of the said meeting to be promptly filed in the office of the clerk of the circuit court of said county upon payment to said clerk of the fees properly chargeable in a special proceeding. Upon such filing, such property may be conveyed or mortgaged with the same right and authority as if such sale or mortgaging had been authorized by a majority in number of all members of said corporation.

History: 1951 c. 731.

182.013 Directors to manage. (1) The property, affairs and business of every such corporation shall be under the care of and be managed by a board of directors who shall be chosen annually by the stockholders or members, at such time and place as shall be provided by the articles of organization or the by-laws, and shall hold such office until the next annual meeting and until their respective successors are chosen, except that when classified by the articles of organization or by-laws they may be elected and hold accordingly. Directors of stock corporations need not be stockholders unless so required by the articles of incorporation or by-laws, but directors of nonstock corporations shall be members thereof. The directors shall choose one of their number president and such other officers as the corporate articles and by-laws require, for such term as shall be prescribed thereby, but in nonstock corporations the officers may be elected by the members if the articles so provide; and may fill any vacancy in their board, happening after any regular annual election, or any vacancy created by an increase in the authorized number of directors, until the next succeeding election.

(2) If authorized by the by-laws of the corporation, the board of directors may elect an executive committee to consist of not less than 3 directors, which committee may to the extent provided in the by-laws have and exercise the powers of the board of directors when not in session, except action in respect of dividends to stockholders, election of officers, or the filling of vacancies in the board of directors or executive committee. Whenever the by-laws of any corporation provide for the creation of an executive committee as herein authorized, the board of directors may elect one or more of its members as an alternate or alternates who may, upon the request of the chairman of the board or the president, take the place of an absent member or members at any meeting of such committee.

(3) After September 1, 1945, no stockholders' derivative action against one or more directors or officers of a corporation of this state shall be maintained by the holder or holders of less than 5 per cent of the outstanding stock of any class, unless the action be one based on conduct which results, and is willfully intended to result, in a direct or indirect personal benefit or advantage to one or more directors or officers, or conduct which results in a personal benefit or advantage to one or more stockholders over the other stockholders.

(4) Unless the articles of a corporation otherwise provide, the board of directors of any corporation may by resolution establish a record date as a means of determining the persons who shall be entitled to vote at any general or special stockholders' meeting. When such record date is established only stockholders of record as of that date shall be entitled

to vote at any such meeting. The record date shall be within a period not exceeding 30 days immediately prior to any such stockholders' meeting.

History: 1951 c. 625, 731.

182.0135 Public utility corporation directors; not to delegate duty to manage; removal by commission. (1) The directors of corporations which are public utilities shall not, directly or indirectly, delegate or in any manner, temporarily or permanently, relinquish or surrender their duty to manage and direct the stock, property, affairs and business of such corporation.

(2) Any director violating the provisions of this section may be removed by the public service commission, after notice and hearing. When a director of a public utility shall be removed by the commission he shall be ineligible for a period of 2 years to serve as a director of said public utility.

History: 1951 c. 731.

182.014 Meetings, notice, election of officers; term. (1) **TIME AND PLACE.** Unless otherwise provided by law, the time and place of annual meetings of the members of every corporation shall be fixed by its articles or by-laws. If not so fixed, the annual meetings shall be on the anniversaries of the first corporate meeting.

(2) **OFFICERS TO HOLD OVER, SPECIAL ELECTION.** If an election of directors or trustees shall not take place at the annual meeting, a special meeting may be called by the president or the directors to elect such officers by giving such notice thereof, as is required for the annual meeting, but if such officers refuse or neglect to call such special meeting for 10 days after the time fixed for the annual election, then any 2 members of the corporation may call such special meeting in the manner prescribed in section 182.006.

(3) **COURT PROCEEDINGS; APPOINTMENT BY GOVERNOR.** Whenever a corporation has failed for one year to elect its full board of directors, the circuit court shall, upon the verified petition of a member, and 10 days' written notice, served upon resident members, as a summons is served, in circuit court, and served upon nonresident members by publication once a week for at least 2 successive weeks in some newspaper to be designated by the court, published at or nearest to the location of such corporation, and by mailing at least 10 days before the hearing in the manner provided in section 269.34, order such corporation and its members to elect such directors within 20 days after the entry of such order. Upon proof of noncompliance with such order, the court shall report the matter to the governor, who shall appoint, from among the members, directors to fill the vacancies, such appointees to hold office until their successors are duly chosen by said corporation.

(4) **ELECTION ON SECULAR DAY.** When the day fixed for the annual election of officers or the meeting of a corporation shall fall on Sunday or on a legal holiday, such election or meeting shall be held on the next succeeding secular day.

(5) **NOTICE.** Corporation meetings shall be called and noticed in the manner prescribed by the articles or by-laws, but in case no provision therefor is so made, meetings of a corporation may be called by the board of directors or trustees at any time, and shall be called by the secretary when requested by one-fifth of the members of a nonstock corporation or by the owners of one-fifth of the outstanding shares of voting stock in a stock corporation on 10 days' notice; and such notice to members may be served by publishing the same once in each week for 2 weeks in a newspaper published at or nearest to the location of the corporation, or by personal service or by mailing a copy thereof to each member directed to his last post-office address as the same appears in the records of the corporation.

History: 1951 c. 731.

182.015 Voting stock in other corporation; interlocking directorates. Stock held by one corporation in another shall be voted by the president of the former, unless its board of directors, by resolution, designate some other person for that purpose; and the officers of the former corporation may be chosen, qualify and act as directors and officers of the latter corporation.

History: 1951 c. 731.

182.016 River improvement corporations may flow lands. Any domestic corporation created in whole or in part for the purpose of improving any stream and driving, holding or handling logs therein, and any corporation owning or controlling dams, booms or improvements designed to accomplish any of said purposes, or any municipality or any domestic corporation organized for the purpose of furnishing electric current for public purposes, shall have the power to acquire all such lands as shall be necessary for its use for ponds and reservoir purposes. Nothing in this section shall be construed as repealing any provision of section 31.30.

History: 1951 c. 731.

182.017 Transmission lines; privileges; damages. (1) **RIGHT OF WAY FOR.** Any domestic corporation organized to furnish telegraph, telephone, service or transmit heat, power or electric current to the public or for public purposes, and any co-operative association organized under chapter 185 to furnish telegraph, telephone or transmit heat, power or electric current to its members, may, subject to reasonable regulations made by any city or village through which its transmission lines or systems may pass, construct and maintain such lines or systems with all necessary appurtenances in, across or beneath any public highway or bridge or any stream or body of water, or upon any lands of any owner consenting thereto, and for such purpose may acquire lands or the necessary easements; and may connect and operate its lines or system with other lines or systems devoted to like business, within or without this state, and charge reasonable rates for the transmission and delivery of messages or the furnishing of heat, power or electric light.

(2) **NOT TO OBSTRUCT PUBLIC USE.** But no such line or system or any appurtenance thereto shall at any time obstruct or incommode the public use of any highway, bridge, stream or body of water.

(3) **ABANDONED LINES REMOVED.** The public service commission after a public hearing as provided in section 196.26, and subject to the right of review as provided in chapter 227, may declare any line to have been abandoned or discontinued, if the facts warrant such finding. Whenever such a finding shall have been made the corporation shall remove such line, and on failure for 3 months after such finding of abandonment or discontinuance, any person owning land over, through or upon which such line shall pass, may remove the same, or the supervisors of any town within which said lines may be situated, may remove the said lines from the limits of its highways, and such person or supervisors shall be entitled to recover from the company owning the lines the expense for labor involved in removing the property.

(4) **LOCATION OF POLES.** In case of dispute as to the location of poles, pipes or conduits, the commissioners appointed in condemnation proceedings under chapter 32 may determine the location. In no case, except where the owner consents, shall poles be set in front of or upon any residence property, or in front of a building occupied for business purposes, unless the commissioners find that the same is necessary and the court may review the finding.

(5) **LIMITATION OF ACTION.** The proceedings authorized in chapter 32 shall not be taken nor other action commenced against the corporation in respect to its rights to use or possess lands, unless begun within 6 years after the commencement of such use or possession.

(6) **TREES PROTECTED, PENALTIES.** Any such corporation which shall in any manner destroy, trim or injure any shade or ornamental trees along any such lines or systems, or cause any damage to buildings, fences, crops, live stock or other property, except by the consent of the owner, or after the right so to do has been acquired, shall be liable to the person aggrieved in 3 times the actual damage sustained, besides costs.

(7) **MUNICIPAL FRANCHISE REQUIRED.** No lighting or heating corporation shall have any right hereunder in any city or village until it has obtained a franchise or written consent for the erection or installation of its lines from such city or village.

Cross reference: Subsection (5) and subsection 330.12 conflict.

History: 1951 c. 731.

182.018 Wires over railroads. (1) All wires strung over any steam railroad prior to August 1, 1949, shall be tied to insulators fastened to double cross-arms attached to a pole at each side of the crossing. The poles if of wood shall not be less than 6 inches in diameter at the top (if of other materials at least the equivalent strength thereof), set not less than 5 feet in the ground, securely guyed, and, unless the railroad right of way is over 100 feet in width, shall be set not more than 100 feet apart. The cross-arms shall be attached to the poles by machine bolts, and braced by at least one iron brace from each cross-arm to the pole. All wires shall be maintained not less than 25 feet above the rails, except street railway trolley wires, which shall be maintained not less than 22 feet above the rails.

(2) Any person ordered by the public service commission to change its wires so as to conform to this section failing to comply with such order within 10 days from the service thereof shall forfeit \$25, and a like forfeiture for every additional 10 days of noncompliance with the order, unless a greater length of time to make such change shall be granted.

(3) All wires strung over any steam railroad on or after August 1, 1949 shall be strung in such a way as to meet requirements of the Wisconsin state electrical code. Any person stringing wires in violation of the code shall be subject to a forfeiture of not more than \$100 nor less than \$25. Each 10-day period, after the first day, that such violation occurs

shall be a separate violation and shall subject the violator to an additional forfeiture of not less than \$25 nor more than \$100 for each such violation.

History: 1951 c. 731.

182.019 Damages for nondelivery of message. Persons owning or operating any telegraph, telephone or power transmission line or heat system for public purposes shall be liable for all damages occasioned by the failure or negligence of their operators, servants or employes in receiving, copying, transmitting or delivering dispatches, messages or the furnishing of power to its patrons for public purposes, including damages for mental anguish resulting directly and proximately from or occasioned by such failure or negligence in receiving, copying, transmitting or delivering dispatches or messages, but not to exceed \$500 for mental anguish.

History: 1951 c. 731.

182.020 Driving park corporation. Any corporation formed under this chapter to establish, maintain and manage any driving park may have grounds and courses for improving and testing the speed of horses and may offer and award prizes for competition; but no racing for any bet or wager shall be allowed; and any such corporation may prevent gambling or betting of any kind, and preserve order on its grounds, and establish rules therefor, and appoint officers and agents who, for that purpose, shall have the power of constables.

History: 1951 c. 731.

182.021 Gun clubs. Any domestic corporation formed for the purpose of sharpshooting or improving in the use of firearms may acquire suitable grounds therefor, and may establish, use and maintain a rifle range for its exercises. After such grounds and range are permanently located and improved by the erection of buildings, breastworks, ramparts or otherwise, no public street shall be opened through the tract so used or occupied, unless the necessity therefor shall be first established by verdict of a jury; nor shall any suit be maintained against such corporation to restrain, enjoin or impede its exercises at the place so selected on complaint of any private individuals or parties, who shall acquire title to any property adversely affected by such exercises after such grounds and range are permanently located and improved as aforesaid.

History: 1951 c. 731.

182.025 Loans; mortgages. Any corporation formed to furnish water, heat, light, power, telegraph or telephone service or signals by electricity may, subject to the provisions of chapter 184 and by a vote of two-thirds of its capital stock outstanding and entitled to vote, or any co-operative association organized under chapter 185 to furnish water, heat, light, power, telegraph or telephone service to its stockholders or members only may, by a vote of a majority of a quorum of its stockholders or members present at any regular or special meeting held upon due notice as to the purpose of the meeting or when authorized by the written consent of the holders of a majority of its capital stock outstanding and entitled to vote or of a majority of its members, borrow money and execute its bonds or notes therefor, and to secure the payment of such bonds or notes to a fixed amount or in amounts to be from time to time determined by the board of directors may mortgage or trust deed any or all of the property, rights and privileges and franchises that it may then own or thereafter acquire, and may, in and by such mortgage or deed of trust, provide for the disposal of any of its property and the substitution of other property in its place. Every such mortgage or deed of trust may be recorded in the office of the register of deeds of the county in which such corporation is located, and such record shall have the same force and effect as if the instrument were filed in the proper office as a chattel mortgage, and so remain until satisfied or discharged without any further affidavit or proceeding whatever.

History: 1951 c. 731.

182.026 Boards of trade. An incorporated board of trade shall have the right to establish reasonable by-laws or rules for the government of the business transactions of its members, and to establish committees of reference or arbitration for the determination of differences and controversies according to the usages of other similar bodies. And any award by such committee on arbitration, made according to such by-laws and rules, may be filed in the circuit court of the county and judgment entered thereupon according to the practice and subject to review as provided in case of awards under chapter 298.

History: 1951 c. 731.

182.027 Lyceum, libraries and art galleries. Any corporation formed for the establishment and maintenance of lyceums, libraries, art galleries and the like shall have power to make by-laws for the protection of its property, and to provide fines upon its members or patrons for their infraction by way of liquidated damages; and may collect the same in a tort action.

History: 1951 c. 731.

182.028 School corporations. Any corporation formed for the establishment and maintenance of schools, academies, seminaries, colleges or universities or for the cultivation and practice of music shall have power to enact by-laws for the protection of its property, and provide fines as liquidated damages upon its members and patrons for violating the by-laws, and may collect the same in tort actions, and to prescribe and regulate the courses of instruction therein, and to confer such degrees and grant such diplomas as are usually conferred by similar institutions or as shall be appropriate to the courses of instruction prescribed. Any stockholder may transfer his stock to the corporation for its use; and if the written transfer shall so provide such stock shall be perpetually held by the board of directors with all the rights of a stockholder, including the right to vote.

History: 1951 c. 731.

182.029 Universities and colleges may unite. (1) Any university or college may receive any other university or college, upon resolution of the board of trustees of both institutions, as a branch of the former, and shall be subject to such rules, regulations, agreements and liabilities as may be agreed upon. The receiving university or college may grant such diplomas and confer such degrees as shall be appropriate to courses of instruction prescribed and pursued in such received university or college, and any such university or college so received may upon such terms as shall be agreed to by its corporate members and trustees sell, or give an option to purchase, all its property, business and effects to such receiving college or university.

(2) Any privately supported school, academy or seminary may receive any other privately supported school, academy or seminary upon resolution of the board of trustees of both institutions, as a branch of the former, and shall be subject to such rules, regulations, agreements and liabilities as may be agreed upon. Any such privately supported school, academy or seminary so received may, upon such terms as shall be agreed to by two-thirds of its corporate members and trustees, convey all its property, business and effects to such receiving school, academy or seminary.

History: 1951 c. 731.

182.030 Corporations having church affiliations. Whenever any corporation shall be formed under this chapter for the benefit of, or be in any manner connected with, any church or religious denomination or society, its articles of organization may provide that it shall be under the supervision and control of such church, denomination or society; and that the officers or trustees be communicants thereof.

History: 1951 c. 731.

182.031 Railway equipment companies. (1) **DIRECTORS; STOCKS; BONDS.** The board of directors of any corporation organized under this chapter for the purpose of buying, selling, leasing or in any manner dealing in railway cars, locomotive engines or other railway equipment may classify or divide its property into series or classes, and suitably designate each such series or class; and may, by a resolution, ratified by vote of a majority of its common stock, authorize the issue of a special or a preferred stock based in whole or in part upon any such class or series, with such provision as to preference dividends out of the earnings of or profits upon the property of the series or class upon which such stock is based, and with such voting power, if any, and other such rights and provisions generally as may be defined in said resolution; and such stock may be issued in as many classes or series as the said corporation may have classes or series of equipment property, and in such amount as to each series or class as may be stated in said resolution, and the same may be issued from time to time and sold or disposed of in such manner and upon such terms as said board shall determine; and every such corporation shall have the power to issue, in like manner, its bonds or obligations for such amount and upon such terms as shall be defined by the resolution, and may secure the same by mortgage or deed of trust upon all of its property then owned or thereafter to be acquired, or upon any one or more of the classes or series of its property, or it may issue and secure both said general and special bonds or obligations in like manner.

(2) **POWERS; PLACE OF BUSINESS.** Every such corporation shall possess all the rights and powers conferred upon corporations by this chapter and chapters 183 and 184. It may have its principal place of business without the state; provided, that if its principal place of business shall be outside the state, process in actions against it may be served upon the secretary of state, in the manner provided in sections 180.801 to 180.849 for service upon a licensed foreign corporation.

History: 1951 c. 731.

182.032 Hospital service corporations, public policy. (1) As a guide to the interpretation and application of this section, the public policy of this state is declared to be: To ease the burden of payment for hospital services, particularly in the low income groups, where with the advance of scientific methods the payment for adequate hospital services

is a pressing problem with grave social ramifications, nonprofit hospital service corporations, based on the tested experience in many parts of the United States, economically sound and socially beneficent, are needed. While in no way changing the present status of voluntary hospitals in the state, these corporations will enable a larger number to procure for themselves adequate hospital services and leave the use of the free and part-free services given by the hospitals to those whose economic status makes self-procurement of such services impossible. Without imposing the burden on the public treasury and free from any motive of profit, these corporations will contribute to the solution of a pressing social and economic problem in the state and merit the support of the citizens.

(2) (a) Nonprofit corporations, that is corporations formed without capital stock, operated not for profit and exclusively for the purposes in this section set forth, and which declare no dividend, benefit or pecuniary profit, to be paid to or received by any of their members, directors or officers, may be organized, under this section for the purpose of establishing, maintaining and operating service plans, whereby hospital services may be provided to persons or groups of persons, subscribers to such plans, and their respective dependents, by hospitals with which such corporations may make a contract therefor.

(b) Such contracts shall be with participating hospitals or with service hospitals, hereinafter defined. Whenever their boards of directors may order, such corporations may pay other hospitals, in Wisconsin or elsewhere, with which they may not have contractual relations, for services to a subscriber or his dependents, such amounts and under the terms, conditions and regulations as the said boards may prescribe.

(c) The boards of directors shall have control of all of the management and business of such corporations, and they may do all things necessary, proper or incidental to the exercise of the powers granted to such corporations in this section.

(d) Such hospitals shall be participating hospitals or service hospitals. The term "participating hospital," as used in this section, is defined to mean a voluntary nonprofit hospital, acceptable to the corporation, and accepted by action of its board of directors, which may contract with the corporation under the terms, conditions, provisions and regulations as the board of directors may prescribe, qualifying it to designate members of the corporation as hereinafter provided. The term "service hospital," as used in this section, is defined to mean a voluntary nonprofit hospital, or a hospital owned, operated and maintained by the state or any political subdivision thereof, acceptable to the corporation and accepted by action of its board of directors, which may contract with it under the terms, conditions, provisions and regulations that the board of directors may prescribe, but which will grant no right to such service hospital to designate members of the corporation as aforesaid. The term "subscriber," as used herein, is defined to mean any person to whom the corporation shall issue a service contract, entitling such person or his dependents to hospital services as provided therein.

(e) Such hospital service corporations may enter into contracts with the state medical society of Wisconsin or with county medical societies of this state, operating plans under chapter 148, or with medical or surgical indemnity corporations licensed to transact business in this state, to act as enrolling and billing agent to such extent as may be agreed.

(3) The articles of incorporation of any corporation organized under this section shall provide:

(a) That the members of the corporation shall be: 1. Three nonmedical persons, excepting medical administrators, designated by each participating hospital, at least 2 of whom shall be directors or be active in the operation of such participating hospital; and 2. A number of persons equal to the number of participating hospitals, each of whom shall be a physician and surgeon and shall be appointed by the medical staff of the hospital from its own members. In case there should be no such staff, or in case of the failure of the staff so to appoint, then such appointment shall be made by the governing board of the hospital, but in either case the physicians and surgeons so appointed shall be approved by the state medical society of Wisconsin. The members shall be appointed annually for terms of one year each and shall be such members until their successors are appointed and qualified and vacancies shall be filled by the same method of appointment for unexpired terms.

(b) That the directors shall consist of such number as may be specified in the articles of incorporation or in the by-laws and shall be elected from the groups mentioned in paragraph (a) of this subsection in the proportion prescribed therein for membership by such groups, and except at the first meeting not more than one-third of the directors shall be elected at any annual meeting.

(c) That all contracts between such corporations and a subscriber shall provide for hospital services only and shall not embrace medical services. Such contract shall not be interpreted to place upon the subscriber the obligation of choosing for hospital services any particular participating or service hospital among the contracting hospitals, or give the corporation the right to designate or require the choice of any particular participating or service hospital.

(d) Such hospital service corporations, heretofore or hereafter so formed and conducted, shall be governed by the provisions of this section.

(4) Such corporation shall not enter into contracts with subscribers until it shall have contracts with not less than 6 participating hospitals having a total of not less than 600 beds.

(5) Every such corporation shall annually, on or before the first day of March file in the office of the commissioner of insurance, a statement verified by at least 2 of the principal officers of said corporation showing its true condition as of the thirty-first day of December next preceding. Said statement shall be in such form and shall contain such other matter as the commissioner of insurance shall prescribe.

(6) The commissioner of insurance or any deputy or examiner designated by him shall, not less than once in 3 years, examine into the affairs of such corporation and shall make report thereon in writing, which report, after such hearing as such corporation may request, shall be filed in his office.

(7) The funds of any such corporation shall be invested as provided in sections 206.34 and 206.35 relating to investments of domestic life insurance companies.

(8) Such corporation shall be governed by sections 182.001 to 182.034, and unless express reference is made in this section, or unless expressly designated therein, no other law shall apply to such corporation. Every such corporation is hereby declared to be a charitable and benevolent corporation, and its property, real, personal and mixed, its income, and property transferred to it, shall be exempt from taxation as provided in sections 70.11, 71.01 (3), 72.04 and 72.75 to 72.81, and its employes shall be excluded from the provisions of chapter 108 as provided in section 108.02.

(9) All nonprofit hospital service plans shall be operated in this state exclusively by corporations organized and operated under this section. No such corporation shall contract or continue a contract with a participating hospital which contracts with any other corporation operating a nonprofit hospital service plan under this section.

(10) Nothing in any contract to be made by any such corporation with a participating hospital or subscriber shall have the effect of imposing upon any participating hospital any obligation or liability for any act, omission or default of any other participating hospital or of such corporation.

History: 1951 c. 731.

182.034 Indemnifying officers and employes. Any person, or a personal representative of a decedent, made a party to any action, suit or proceeding by reason of the fact that he, his testator or intestate, is or was a director, officer or employe of any corporation organized under this chapter, shall be indemnified by the corporation against the reasonable expenses, including attorney fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding, that such officer, director or employe is liable for misconduct in the performance of his duties. Such right of indemnification shall not be deemed exclusive of any other rights to which such director, officer or employe may be entitled apart from this statute.

History: 1951 c. 731.

182.101 Insolvency; suspension for a year. Whenever any corporation shall have remained insolvent, or shall have neglected or refused to pay and discharge its notes or other evidences of debt, or shall have suspended its ordinary business for one year, it shall be deemed to have surrendered the rights, privileges and franchises granted or acquired under any law, and shall, in a proper action, be adjudged to be dissolved.

History: 1951 c. 731.

182.102 Continuance after dissolution. All corporations whose term of existence shall expire by their own limitation, or which shall be dissolved, shall nevertheless continue to be bodies corporate for 3 years thereafter for the purpose of prosecuting and defending actions, and of enabling them to settle and close up their business, dispose of and convey their property and divide their assets and for no other purpose; and when any corporation shall become so dissolved the directors or managers of the affairs of such corporation at the time of its dissolution shall, subject to the power of courts to make a different provision, continue to act as such during said term of 3 years, with full power to elect officers, fill vacancies in the board of directors, settle its affairs, dispose of and convey all its property, collect the outstanding credits, pay the debts owing by such corporation and the costs of such administration and divide the residue of the money and other property among the stockholders or members thereof.

History: 1951 c. 731.

182.103 Voluntary dissolution. Any corporation may dissolve by the adoption of a written resolution to that effect, at a meeting of its members called for that purpose, by

a vote of two-thirds of the stock, entitled to vote, in the case of stock corporations, and of one-half the members in other corporations; but when a mode of dissolution shall have been provided in the articles of organization, it shall be conducted accordingly. No corporation owning or operating a public utility shall be dissolved, except upon consent of the public service commission to be issued only after hearing by the commission, on at least 30 days' notice given to each municipality in which such utility is operated, and an opportunity to be heard is furnished to all such municipalities and stockholders in such corporation. Duplicate copies of such resolution, with a certificate thereto affixed, signed by the president and secretary, or the corresponding officers, and sealed with the corporate seal, stating the fact and date of the adoption of such resolution; that such is a true copy of the original, the whole number of shares of stock, and of members of such corporation, and the number of members who, or of the shares of stock whose owners, voted for its adoption, and whether or not such corporation owns any real property in this state, and in the case of such ownership, the names of the persons holding stock in said corporation at the time of its dissolution, and the shares or proportional interest of said persons in the corporate property, shall be forwarded to the secretary of state, one copy to be filed by the secretary of state and the other copy to be returned with certificate of the secretary of state attached, showing the date when such copy was filed by the secretary of state, which said copy shall be recorded by the register of deeds of the county in which such corporation is located within 30 days after filing with the secretary of state, and thereupon such corporation shall cease to exist except for the winding up of its affairs. And the register of deeds shall note on the margin of the record of the articles of incorporation, the volume and page where such resolution is recorded. The register of deeds shall forthwith transmit to the secretary of state a certificate stating the time when such resolution was recorded, and shall be entitled to a fee of 25 cents therefor, to be paid by the person presenting such resolution for record. Whenever the articles of organization shall provide a term to the duration of a corporation it shall cease to exist at the time so fixed.

History: 1951 c. 731.

182.104 Title to property after dissolution. (1) Whenever any domestic corporation shall have been dissolved, owning any real property in this state, the resolution of dissolution required by section 182.103 to be recorded with the register of deeds of the county in which such corporation is located, or in the case of any corporation which was dissolved prior to June 29, 1945, owning any interest in real estate, the affidavit of the person who was the president or the secretary of such corporation at the date of its dissolution stating the names of the persons holding stock in said corporation and the number of shares or proportional interest of said persons in the corporate property at such date, when recorded with the register of deeds of the county in which such corporation was located, shall be prima facie evidence of the title of said persons in said corporate property.

(2) This section shall not affect the rights of creditors of the corporation, and shall not apply where any court has made disposition of the property, or where the property has been conveyed by the corporation, or distributed among the stockholders, and the conveyance is of record in the office of the register of deeds.

History: 1951 c. 731.

182.105 Purchasers of corporate rights may reorganize. The owner of the rights, powers, privileges and franchises of any domestic corporation, acquired by purchase under a mortgage or judicial sale, may, at any time within 2 years after such purchase, organize anew by filing articles appropriate to corporations for similar purposes, and thereupon shall have the rights, privileges and franchises which such corporation had at the time of such purchase and sale, and such as are provided by these statutes applicable thereto.

History: 1951 c. 731.

182.106 Consolidation or merger of stock corporations. (1) **PROCEDURE FOR MERGER.** Any 2 or more corporations may merge into one of such corporations in the following manner: The board of directors of each corporation shall, by resolution adopted by a majority vote of the members of each such board, approve a plan of merger setting forth:

(a) The names of the corporations proposing to merge, and the name of the corporation into which they propose to merge, hereinafter designated the surviving corporation.

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

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

(d) Any change in the articles of organization of the surviving corporation to be effected by such merger.

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

(2) **PROCEDURE FOR CONSOLIDATION.** Any 2 or more corporations may consolidate into a new corporation in the following manner: The board of directors of each corporation shall, by resolution adopted by a majority vote of the members of each such board, approve a plan of consolidation setting forth:

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

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

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

(d) With respect to the new corporation, all of the statements required to be set forth in articles of organization for corporations organized under this chapter.

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

(3) **MEETINGS OF SHAREHOLDERS.** The board of directors of each corporation, upon approving such plan of merger or plan of consolidation, shall, by resolution, direct that the plan be submitted to a vote at either an annual or special meeting of shareholders. Written notice shall be delivered not less than 20 days before such meeting, either personally or by mail, to each shareholder of record entitled to vote at such meeting. Such notice shall state the place, day, hour and purpose of the meeting and that any shareholder must file notice of his objection to the plan at least 48 hours prior to the meeting, as provided in subsection (10) hereof, and shall be accompanied by a copy of a summary of the plan of merger or of consolidation. Such notice may be waived in writing.

(4) **APPROVAL BY SHAREHOLDERS.** At each such meeting, a vote of the shareholders entitled to vote thereat shall be taken on the proposed plan of merger or consolidation. The plan of merger or consolidation shall be approved upon receiving the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote at such meeting, of each of such corporations, unless any class of shares of any such corporation is entitled to vote as a class in respect thereof. As to such corporation, the plan of merger or consolidation shall be approved upon receiving the affirmative vote of the holders of at least two-thirds of the outstanding shares of each class of shares entitled to vote as a class in respect thereof and of the total outstanding shares entitled to vote at such meeting. Any class of shares of any such corporation shall be entitled to vote as a class if the plan of merger or consolidation, as the case may be, contains any provision which, if contained in a proposed amendment to articles of organization, would entitle such class of shares to vote as a class.

(5) **ARTICLES OF MERGER OR CONSOLIDATION.** Upon such approval, articles of merger or articles of consolidation shall be executed and verified in duplicate by the president and secretary, or if none, the correspondent officers of each corporation, and shall be sealed with the corporate seal, if there be any, of each corporation, and shall set forth:

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

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

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

(6) **FILING ARTICLES.** (a) Such duplicate articles of merger or consolidation shall be delivered to the secretary of state. If the secretary of state finds that such articles of merger or consolidation conform to law, he shall, when all fees have been paid as in this chapter prescribed:

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

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

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

(b) The secretary of state shall collect a fee of \$25 for filing articles of merger or consolidation.

(c) Such other duplicate original of the articles of merger or consolidation shall be recorded, within 40 days of such filing, in the offices of the register of deeds of the counties of this state in which the respective corporations so consolidating or merging shall have their original articles of organization recorded, and in the county where the merged or consolidated corporation is to be located. The respective registers of deeds shall forthwith transmit to the secretary of state a certificate stating the time when such copy was recorded, and shall be entitled to a fee of 25 cents therefor to be paid by person presenting such duplicate original for record.

(7) **EFFECTIVE DATE OF MERGER OR CONSOLIDATION.** Upon receipt of the requisite certificates, the certificate of merger or consolidation shall be issued by the secretary of state. The merger or consolidation shall be effected upon the due recording of the duplicate original of the articles of merger or consolidation.

(8) **EFFECT OF MERGER OR CONSOLIDATION.** When such merger or consolidation has been effected:

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

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

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

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

(e) Such surviving or new corporation shall thenceforth be responsible and liable for all the liabilities and obligations of each of the corporations so merged or consolidated; and any claim existing or action or proceeding pending by or against any of such corporations may be prosecuted to judgment as if such merger or consolidation had not taken place, or such surviving or new corporation may be substituted in its place. Neither the rights of creditors nor any liens upon the property of any such corporation shall be impaired by such merger or consolidation.

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

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

(9) **MERGER OR CONSOLIDATION OF DOMESTIC AND FOREIGN CORPORATIONS.** One or more foreign corporations and one or more domestic corporations may be merged or consolidated in the following manner, provided such merger or consolidation is permitted by the laws of the state under which each such foreign corporation is organized:

(a) Each domestic corporation shall comply with the provisions of this chapter with respect to the merger or consolidation, as the case may be, of domestic corporations and each foreign corporation shall comply with the applicable provisions of the laws of the state under which it is organized.

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

1. An agreement that it may be served with process in this state in any proceeding for the enforcement of any obligation of any domestic corporation which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such domestic corporation against the surviving or new corporation.

2. An irrevocable appointment of the secretary of state of this state or someone residing within the state as its agent to accept service of process in any such proceeding, and

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

(e) The effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations, if the surviving or new corporation is to be governed by the laws of this state. If the surviving or new corporation is to be governed by the laws of any state other than this state, the effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations except in so far as the laws of such other state provide otherwise.

(10) RIGHTS OF DISSENTING SHAREHOLDERS. (a) If a shareholder of a corporation which is a party to a merger or consolidation shall file with such corporation, at least 48 hours prior to the meeting of shareholders at which the plan of merger or consolidation is submitted to a vote, a written objection to such plan of merger or consolidation, and shall not vote in favor thereof, and such shareholder, within 20 days after the merger or consolidation is effected, shall make written demand on the surviving or new corporation for payment of the fair value of his shares as of the day prior to the date on which the vote was taken approving the merger or consolidation, the surviving or new corporation shall pay to such shareholder, upon surrender of his certificate or certificates representing said shares, such fair value thereof. Such demand shall state the number and class of the shares owned by such dissenting shareholder. Any shareholder failing to make demand within the 20-day period shall be bound by the terms of the merger or consolidation.

(b) If within 30 days after the date on which such merger or consolidation was effected the value of such share is agreed upon between the dissenting shareholder and the surviving or new corporation, payment therefor shall be made within 90 days after the date on which such merger or consolidation was effected upon the surrender of the certificate or certificates representing said shares. Upon payment of the agreed value the dissenting shareholder shall cease to have any interest in such shares or in the corporation.

(c) If within such period of 30 days or any extension thereof the shareholder and the surviving or new corporation do not so agree, then the dissenting shareholder may, within 60 days after the expiration of the 30-day period or extension thereof, file a petition in the circuit court of the county in which the surviving or new corporation is located, asking for a finding and determination of the fair value of such shares, and shall be entitled to judgment against the surviving or new corporation for the amount of such fair value as of the day prior to the date on which such vote was taken approving such merger or consolidation, together with interest thereon at the rate of 5 per cent per annum to the date of such judgment. Costs shall be taxed as the court may deem equitable. The judgment shall be payable only upon the surrender to the surviving or new corporation of the certificate representing said shares. Upon payment of the judgment, the dissenting shareholder shall cease to have any interest in such shares, or in the surviving or new corporation. Such shares may be held and disposed of by the surviving or new corporation as it may see fit. Unless the dissenting shareholder shall file such petition within the time herein limited, such shareholder and all persons claiming under him shall be bound by the terms of the merger or consolidation.

(d) The right of a dissenting shareholder to be paid the fair value of his shares as herein provided shall cease if the corporation shall abandon the merger or consolidation. Written notice of such abandonment shall be given by the corporation to its stockholders within 30 days after such abandonment.

(11) PENDING ACTIONS SAVED. Any action or proceeding pending by or against any corporation consolidated or merged, may be prosecuted to judgment, as if such consolidation or merger had not taken place, or the corporation resulting from or surviving such consolidation or merger may be substituted in its place.

History: 1951 c. 731.

The fee paid by a foreign corporation on be credited to another foreign corporation its capital employed in Wisconsin cannot into which it merges. 39 Atty. Gen. 449.

182.107 Merger; nonstock. (1) AUTHORITY. Any 2 or more corporations organized under the laws of this state, whether under general corporation law or private and local laws, for similar purposes and without capital stock, may consolidate or merge into a single corporation which may be any one of said constituent corporations or a new corporation to be formed by means of such consolidation or merger as shall be specified in the agreement hereinafter required; the directors, or a majority of them, of such corporations as desire to consolidate or merge, may enter into an agreement signed by them and under the corporate seals of the respective corporations, prescribing the terms and conditions of consolidation or merger, the mode of carrying the same into effect, and setting forth such other provisions as may be required or permitted by the statutes to be set out in the articles of incorporation, with such other details and provisions as are deemed necessary.

(2) PROCEDURE. Said agreement shall be submitted to the members of each constituent corporation at a meeting thereof called separately for the purpose of taking the same into consideration, at which a quorum shall be present, and if the votes of a majority of the members of each such corporation present at said meeting shall be for the adoption of said

agreement, then said agreement shall be executed by the officers of each such corporation and a duplicate copy thereof, with certificates thereto affixed executed on behalf of each corporation as provided in section 182.007 and conforming thereto as nearly as may be, shall be filed with the secretary of state and a copy recorded with the register of deeds as in said section provided; and thereupon the said consolidation or merger shall be effective and such record or a certified copy thereof shall be evidence of the act of consolidation or merger of said corporations, and of the observance and performance of all acts and conditions necessary to have been observed and performed precedent to such consolidation or merger.

History: 1951 c. 731.

182.201 Powers. Every domestic corporation, when no inconsistent provision is made by law or by its articles of organization, shall have the following powers:

(1) To make all contracts necessary and proper to effect its purposes and conduct its business.

(2) To sue and be sued, to appear and defend in all actions and proceedings in its corporate name to the same extent as a natural person.

(3) To have a common seal and alter the same at pleasure.

(4) To elect or appoint, in such manner as shall be fixed by its by-laws, all necessary officers, agents and servants, define their duties and obligations, fix their compensation; and to establish branch offices or places of business in this state or elsewhere.

(5) To make, amend and repeal by-laws and regulations, consistent with law and its articles, for the accomplishment of its purposes, for its government, for the orderly conduct of its affairs and the management of its property, for calling and conducting its meetings, voting by proxy, and the tenure of its several officers; and may prescribe suitable penalties for the violation of its by-laws, not exceeding \$20 for any violation.

(6) To take and hold property, both real and personal, and sell, convey or otherwise dispose of the same.

(7) To borrow money and to pledge or hypothecate its personal property to secure the payment of its debts.

(8) To mortgage its franchises and real property, to secure the payment of its debts with the consent of the holders of a majority of its stock entitled to vote, or, if not a stock corporation, a majority of its members, except as provided in section 182.025.

(9) To cause to be insured for its benefit, the life of any officer or agent thereof and to pay premiums therefor. Whenever any such insured shall cease to be an officer or agent, continued payment of such premium thereafter may be authorized or ratified by the board of directors where it is satisfied that such payment has been or will be for the best interests of such corporation.

(9a) To indemnify any and all of its directors or officers or former directors or officers or any person who may have served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor against expenses actually and necessarily incurred by them in connection with the defense of any action, suit or proceeding in which they, or any of them, are made parties, or a party, by reason of being or having been directors or officers or a director or officer of the corporation, or of such other corporation, except in relation to matters as to which any such director or officer or former director or officer or person shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty. Such indemnification shall not be deemed exclusive of any other rights to which those indemnified may be entitled, under any by-law, agreement, vote of stockholders, or otherwise.

(10) Any corporation organized under this chapter of the statutes may subscribe for, take or hold stock in any other corporation except as herein provided. The consideration for such purchase may be paid in the stock or bonds, or both, of the purchasing company; but no corporation organized under this chapter of the statutes may subscribe for, take or hold more than 10 per cent of the capital stock of any state bank or trust company, unless 75 per cent of the stock of both corporations shall vote in favor thereof at a meeting especially called for that purpose, but no state bank or trust company may vote to authorize a foreign corporation to purchase stock in such bank or trust company unless such foreign corporation shall have filed its articles of incorporation with the secretary of state and is authorized to do business in Wisconsin as provided in sections 180.801 to 180.849 of the statutes.

History: 1951 c. 731.

182.202 Quorum of directors and members. (1) A majority of the directors or trustees of every corporation, regularly convened, shall constitute a quorum for the transaction of business. The members owning a majority of the stock in stock corporations and a majority of the members of other corporations shall constitute a quorum at any meeting, and be capable of transacting any business, except when otherwise specifically provided by law or by the articles of organization.

(2) At any meeting of the stockholders of a farmers' mutual telephone company, members representing 20 per cent of the outstanding stock, shall constitute a quorum. Any member may hold and vote the proxy of not exceeding 3 stockholders.

(3) Any hospital corporation organized under the laws of this state without capital stock and the articles of which provide that no dividend or pecuniary profits shall be declared or paid to the members thereof, shall have the authority at any general or special meeting called for that purpose to make provision for the payment of any outstanding bonds or indebtedness by the issuance of refunding bonds or other evidences of indebtedness by the vote of a majority of the members present at such general or special meeting. A majority of such members shall have the power and authority to authorize the officers to retire the outstanding bonds or indebtedness of the corporation by the issuance of new bonds or evidences of indebtedness and also shall have the power to authorize the directors and officers to make provision for the borrowing of money to take care of necessary improvements in the buildings of the corporation or additions thereto when deemed necessary, and to issue corporate bonds or other evidences of indebtedness therefor and to secure the same by mortgage on the property of the corporation.

(4) At any meeting of the members of a nonstock, nonprofit corporation, having a total membership of 400 or more, residing in 3 or more counties of the state, the articles of organization may be amended by a majority of the members present. A quorum for any meeting of members or directors of any such corporation shall be such number as the articles of organization or the by-laws may provide.

History: 1951 c. 731.

182.203 Office in state; books produced; forfeiture; assets. (1) Every domestic corporation, except railroad corporations that own or operate a railroad in another state in connection with their railroad in this state, shall have its principal office in this state, and shall keep in such office its general and principal books of account and stock books; and its principal managing officer or superintendent shall reside within this state.

(2) Any such railroad corporation shall produce before the public service commission, the legislature or any committee of either house, or any court of record, its books of account and stocks books, or so many and such parts thereof as may be required, by either of them, or, in the discretion of such commission, legislature, committee or court, transcripts from such books, or such parts thereof as may be called for, duly authenticated; and each such railroad corporation shall designate some office within this state as its principal office and inform the public service commission of such designation, and shall keep there a list of its stockholders, together with a statement of the number of shares of its stock held by each of them, as shown by its books, which list shall be corrected as often as 3 times in each year, at the times of closing its stock books, if it shall so often close them, and if it shall not so often close them, then such list shall be corrected once at least in each 4 months. A failure or refusal to comply with any of the foregoing provisions shall be cause of forfeiture of its franchises.

(3) At least once in each year, each stock corporation shall make and file in its principal office, and keep on file there for the use of its stockholders, a statement and abstract of the assets and liabilities of such corporation and of its financial transactions for the previous year, which statement shall be verified by the affidavit of the treasurer, or other proper officer of such corporation, and shall contain a brief statement of the sources whence its receipts have been received, stated in classes, and a similar statement of its expenditures showing the amount disbursed for each class of objects and purposes.

History: 1951 c. 731.

182.204 Failure to report. Any corporation, and any officer, manager, agent, director or trustee of such corporation, who shall fail, neglect or refuse to fully and promptly perform and carry out any of the duties imposed by sections 182.203 and 182.210, shall, in addition to all other penalties, forfeit not less than \$25 nor more than \$100 for each and every such failure, neglect or refusal, to be collected by civil action in favor of any stockholder or creditor thereby aggrieved.

History: 1951 c. 731.

182.205 Capital stock, nature of, interest on. The capital stock of every corporation, divided into shares, shall be deemed personal property. No stock shall bear interest.

History: 1951 c. 731.

182.2055 Stock certificates; signatures, seal, transfer agent. The stock of every stock corporation shall be represented by certificates signed by the president or vice president and by the secretary or assistant secretary, or the treasurer or an assistant treasurer, and sealed with the seal of the corporation. Such seal may be a facsimile, engraved or printed. Where any such certificate is signed by a transfer agent or transfer clerk and by a registrar, the signatures of any such president, vice president, secretary, assistant secre-

tary, treasurer or assistant treasurer upon such certificate may be facsimile, engraved or printed. In case any such officer who has signed, or whose facsimile signature has been placed upon such certificate, shall have ceased to be such officer before such certificate is issued, it may be used by the corporation with the same effect as if such officer had not ceased to be such at the date of its issue.

History: 1951 c. 731.

182.206 Stocks and bonds; consideration; fictitious increases. No corporation shall issue any stock other than dividend stock, except in consideration of money or of labor or property estimated at its true money value, actually received by it, equal to the par value thereof, nor any bonds or other evidences of indebtedness, except for money or for labor or property estimated at its true money value, actually received by it, equal to 75 per cent of the par value thereof, and all stocks and bonds issued contrary to the provisions of law and all fictitious increase of the capital stock of any corporation shall be void.

History: 1951 c. 731.

182.207 Subscriptions. (1) **HOW CALLED.** Unless otherwise expressly provided by law or the articles of organization or the subscription contract, the directors of any corporation may call in the subscriptions to the capital stock by instalments, in such proportion and at such times as they shall think proper, by giving such notice thereof as the by-laws shall prescribe, and may enforce payment thereof by suit in the name of the corporation. In case any stockholder shall neglect or refuse payment of any such instalment for the space of 60 days after the same shall have become due and payable, and after he shall have been notified thereof, the stock of such negligent stockholder may be sold by the directors at public auction, giving at least 30 days' notice in some newspaper published at or nearest to the location of such corporation; and the proceeds of such sale shall be first applied in payment of the instalment called for and the expenses attending the sale, and the residue be refunded to the owner thereof; but if the proceeds of such sale shall not be sufficient to pay such instalment and the expenses of the sale, such delinquent stockholder shall remain liable to the corporation for such deficiency; such sale shall entitle the purchaser to all the rights of a stockholder to the extent of the shares so bought.

(2) **LIABILITY OF TRUSTEES AND ASSIGNEES.** No person holding stock in any corporation as executor, administrator, guardian or trustee, or as collateral security shall be personally liable for any calls or instalments on any part paid stock; but the person pledging such stock shall be considered as holding the same and shall be liable as a stockholder accordingly; and the estates and funds in the hands of such executor, administrator, guardian or trustee shall be liable in like manner and to the same extent as the testator or intestate, ward or person interested would have been if he had been living or competent to act and held the same stock in his own name.

History: 1951 c. 731.

182.208 Stockholders' liability on reduction of stock; contribution. Whenever the capital stock of any corporation shall be diminished by any corporate vote, the stockholders shall be liable to the existing creditors, in an action by any such creditor or a lawfully appointed receiver or assignee of such corporation, to the amount respectively refunded to them and the amount credited upon their debts for unpaid stock. And the stockholders voting for such diminution shall be jointly and severally liable to any creditor whose debt shall then remain unpaid to an amount equal to the whole amount refunded to the stockholders and credited upon their debts for unpaid stock; but all stockholders shall be liable to contribute proportionately to every stockholder compelled to discharge corporate debts under this section.

History: 1951 c. 731.

182.209 Stockholder, release from liability. If any stock shall be transferred which is not fully paid the corporation may, by agreement to be noted on its stock book, discharge the stockholder making such transfer from liability to it for the unpaid part of his stock subscription and accept that of the person to whom the stock is transferred in his place; but the person transferring such stock shall be liable for the amount unpaid thereon to the then creditors of such corporation and those who may become such within 6 months after such transfer or to any lawfully appointed receiver or assignee of the corporation for their use.

History: 1951 c. 731.

182.210 Stockholder may inspect books; creditor entitled to information. The books of every corporation containing the stock subscriptions and accounts shall at all reasonable times be open to the inspection of the stockholders for any proper purpose; and every creditor of a corporation shall be informed at any time of the amount of capital stock of such corporation subscribed, the amount paid in, who the stockholders are, the number of shares of stock owned by each and the amount unpaid by each stockholder upon

the shares owned by him, and if any shares of stock, which were not fully paid for have been transferred within 6 months of the time of inquiry, the name of the person who transferred the same and the amount due thereon at the date of such transfer. And the officers of such corporation shall furnish any such creditor correct information thereof. And any officer refusing, when requested so to do, shall be liable for any damage caused thereby.

History: 1951 c. 731.

182.211 Stockholder credited with payments, not dividends. In actions by or for the benefit of any such creditor against stockholders to recover what may be due and unpaid on any stock such stockholders shall only be credited with such sums as have been actually paid in in money or its equivalent in value on account of such stock and not with any dividend which may have been declared and applied on such stock.

History: 1951 c. 731.

182.212 Corporate records. Every corporation shall keep a correct and complete record of all its proceedings, including such as relate to the election of its officers, and such record may be kept in any other than the English language when so provided in its articles of organization. Every corporation shall also keep a book containing the names of all stockholders or members since its organization, showing the place of residence, amount of stock held, time of acquiring stock or becoming a member, time of transfer of stock or cessation of membership of each respectively. If any officer, agent or servant of any corporation shall omit to make any entry in the books or records thereof which it is his duty to make as such officer, agent or servant he shall forfeit not less than \$25 nor more than \$1,000 and be liable for all damages thereby sustained.

History: 1951 c. 731.

182.213 Preferred stock. (1) Any corporation may, in its original articles, or by amendment thereto adopted by a three-fourths vote of the stock entitled to vote, provide for preferred stock; for one or more series of preferred stock within any issue thereof, and for the designation thereof; for the payment of dividends thereon at a specified rate before dividends are paid upon the common stock; for the accumulation of such dividends; for the conversion or exchange of such stock into or for any other class of stock; for a preference of such preferred stock over the common stock in the distribution of the corporate assets; for the redemption of such preferred stock; for denying or restricting the voting power of such preferred stock, and for such other powers, preferences and rights and the qualifications, limitations or restrictions thereof not inconsistent with law as may be desired. The original articles, or such amendments thereto, may contain an express grant of such authority as it may then be desired to grant to the board of directors to fix by resolution or resolutions the designation, the dividend rate, the conversion basis or rate, the sum payable upon redemption, or any other power, preference and right, or qualification, limitation or restriction which is not fixed in the original articles, or such amendment. Duplicate copies of any resolution or resolutions adopted by the directors pursuant to this section, with a certificate thereto affixed, signed by the president and secretary, or if none, the correspondent officers, and sealed with the corporate seal, if there be any, stating the fact and date of adoption and that such copy is a true copy of the original, shall be filed and recorded in the time, manner and place required for filing and recording original articles, and in case of failure so to do, such officers shall forfeit \$25. The register of deeds shall note on the margin of the record of the original articles, the volume and page where such resolution or resolutions are recorded, and no such resolution or resolutions shall be of effect until so filed and recorded. The register of deeds shall forthwith transmit to the secretary of state a certificate stating the time when such resolution or resolutions were recorded, and shall be entitled to a fee of 25 cents therefor. Such resolution or resolutions shall be considered as an amendment to the articles of incorporation and upon receipt of the aforesaid certificate from the register of deeds, the secretary of state shall issue a certificate of amendment.

(2) Certificates of preferred stock and common stock shall state, on the face thereof, or on the reverse side of such certificates with an appropriate reference thereto on the face thereof, all privileges accorded to and all restrictions imposed on preferred stock.

(3) Except as otherwise provided in section 182.106 no change in relation to any preferred stock referred to in this section shall be made, other than by amendment to the articles adopted by a vote of three-fourths of the preferred and of the second issue of preferred stock, if any, each voting as a class, and three-fourths of the common stock, but no vote of the first issue of preferred stock shall be required to increase the second issue of preferred stock or to decrease the dividend rate of such second issue of preferred stock.

(4) The articles may be amended by a three-fourths vote of the common stock to provide for a second issue of preferred stock, subject to all the rights and equities of the first issue of preferred stock, and the certificates of such second issue shall have plainly printed across the face the words "Preferred Stock, Second Issue," and shall recite all the terms,

restrictions and regulations provided in the articles in relation to such second issue of preferred stock.

History: 1951 c. 731.

182.214 Shares without nominal or par value. (1) Any corporation, including a public service corporation, may, if so provided in its articles of incorporation or in an amendment thereof, issue shares of stock (other than stock preferred as to dividends or preferred as to its distributive share of the assets of the corporation or subject to redemption at a fixed price) without any nominal or par value. Every share of such stock without nominal or par value shall be equal to every other share of such stock, except that the articles of incorporation may provide that such stock shall be divided into different classes with such designations and voting powers or restrictions or qualifications thereof as shall be stated therein, but all such stock shall be subordinate to the preferences given to preferred stock, if any. Such stock may be issued by the corporation from time to time for such consideration of money or of property or services valued in terms of money, as may be fixed from time to time by the board of directors thereof, pursuant to authority conferred in the articles of incorporation, or by the organizers prior to the first meeting of the stockholders and election of directors, or, if the articles shall not so authorize the directors to fix the price, then such consideration shall be determined by the consent of the holders of two-thirds of each class of stock then outstanding and entitled to vote given at a meeting called for that purpose in such manner as shall be prescribed by the by-laws, and any and all such shares so issued, the full consideration for which has been paid or delivered, shall be deemed full paid stock and not liable to any further call or assessment thereon, and the holder of such shares shall not be liable for any further payments under the provisions of this chapter. The amount of all moneys and the money value of any services or property paid for shares without par value as fixed at the time of the issuance of the shares therefor by the organizers, the directors or the stockholders, whichever shall have fixed the price for the issuance thereof, shall constitute the capital applicable to such shares, which capital may be increased or diminished by the board of directors if authorized in the articles of incorporation, or if the articles shall not so authorize the directors, then by the consent of the holders of two-thirds of each class of stock then outstanding and entitled to vote, given at a meeting called for that purpose in such manner as shall be prescribed by the by-laws. The capital at the time applicable to shares without par value shall not be diminished by the payment of dividends. In case, however, of the issuance of such shares in exchange for the shares of an existing business then having a surplus, such surplus may be retained as a surplus available for the payment of dividends, or in case said shares without par value are sold by a corporation which has accumulated a surplus, such portion of the price as shall bear the same proportion to the total price as the surplus bears to the total of capital and surplus of the corporation, may by resolution of the board of directors adopted prior to the sale of such stock be treated as surplus available for dividends. In the event of the payment of a stock dividend in stock without par value, the resolution providing for such dividend shall specify the amount of the surplus distributed by such dividend and such amount shall become capital.

(2) In any case in which the law requires that the par value of the shares of stock of a corporation be stated in any articles, certificate or paper, it shall be stated, in respect of such shares, that such shares are without par value, and wherever the amount of stock, authorized or issued, is required to be stated, the number of shares authorized or issued shall be stated, and it shall also be stated that such shares are without par value. As filing fees, in addition to the fees on account of capital represented by the preferred stock there shall be paid 5 cents on account of each share of nonpar stock.

History: 1951 c. 731.

182.215 Vote; proxies; shares in trust. (1) Unless a provision to the contrary is inserted in the articles of incorporation and recited in each certificate for any share of stock issued by the corporation, every stockholder of any corporation shall be entitled to one vote for each share of stock held and owned by him at every meeting of the stockholders and at every election of the directors thereof, and may vote either in person or by proxy at all meetings of the stockholders; and every executor, administrator, guardian, assignee for creditors, receiver or trustee may represent the shares of stock in his hands at all meetings of the stockholders and may vote thereat in person or by proxy.

(2) Unless a provision to the contrary is inserted in the articles of incorporation, any person entitled to vote at any meeting of any nonstock, nonprofit sharing corporation may vote either in person or by proxy. All such votes heretofore cast not involved in any litigation are hereby validated.

History: 1951 c. 731.

182.217 Irregular meeting. When a quorum of all the members of any corporation shall be present at any meeting, however notified, and those not present shall have signed

a written consent to the holding of such meeting on the records thereof, they may transact any business at such meeting which could lawfully be transacted at any meeting of the members of such corporation regularly called and notified.

History: 1951 c. 731.

182.219 Dividends; payment of, when; liability. (1) No dividend shall be paid by any corporation until the minimum amount of capital with which the corporation will commence business has been fully paid in, and then only on shares which shall have been fully paid. Dividends may be paid out of net profits properly applicable thereto, or as provided in subsection (2) or out of capital surplus; provided that the payment of such dividend shall not in any way impair or diminish the capital applicable to its outstanding stock, and that no dividend out of capital surplus created by an amendment to its articles of incorporation shall be paid until the debts of the corporation existing at the time of such amendment have been paid and discharged. At the time of paying any dividend declared and paid from any source other than net profits, notice shall be given of the source of such dividend. If any dividend shall be paid contrary to the provisions hereof, every stockholder receiving the same shall be liable to restore the full amount thereof unless the capital be subsequently made good; and the directors, authorizing any such payment contrary to the provisions hereof not having reason to believe that such payment will not impair or diminish the capital shall be jointly and severally liable to the creditors of the corporation at the time of declaring such dividends to the amount of their claim.

(2) But any corporation which has invested net earnings or income in permanent additions to its property, or whose property shall have increased in value, may declare a dividend either in money or in stock to the extent of the net earnings or income so invested or of the said increase in the value of its property; but the total amount of such dividend shall not exceed the actual cash value of the assets owned by the corporation in excess of its total liabilities, including its capital stock.

(3) Any corporation which issues shares of stock in exchange for all of the assets of an existing business and assumes all of the liabilities of such existing business, shall have the right to use any earned surplus or other surplus applicable to dividends of such existing business for the payment of dividends.

(4) No dividend in excess of 7 per cent of its capital shall be paid in any year by any farmers' mutual telephone company.

(5) A director of any corporation organized under the laws of this state, or a member of any committee designated by the board of directors pursuant to authority conferred by its articles or by-laws or resolution of its board of directors, shall in the performance of his duties be fully protected in relying in good faith upon the books of account, or other records of the corporation, or upon reports made to the corporation by any of its officials or by an independent certified public accountant or by an appraiser selected with reasonable care by the board of directors or by any such committee.

History: 1951 c. 731.

182.220 Examination by attorney-general and legislature. The attorney-general, whenever required by the governor, shall examine into the affairs of any corporation in this state and report in writing a detailed statement of the facts to the governor, who shall lay the same before the legislature, and for that purpose the attorney-general may conduct hearings and examine the vaults, books, papers and documents belonging to such corporation or pertaining to its affairs and condition; and the legislature, or either branch thereof, shall have like power at all times, and for that purpose any legislative committee may examine any person in relation to the affairs and condition of such corporation, and its vaults, safes, books, papers and documents, and compel the production of all keys, books, papers and documents by contempt proceedings.

History: 1951 c. 731.

182.221 Use of property. The property of any corporation organized under any special or general law shall be used only for the purposes prescribed by such law or by its articles of organization in pursuance thereof.

History: 1951 c. 731.

182.222 Legislature may restrict powers. The legislature may at any time limit or restrict the powers of any corporation organized under any law and, for just cause, annul the same and prescribe such mode as may be necessary for the settlement of its affairs.

History: 1951 c. 731.

182.223 Stockholders' liability; wages of employes. The stockholders of every corporation, other than railroad corporations, shall be personally liable to an amount equal to the face or par value stock owned by them respectively, and to the consideration for which their nonpar value stock in such corporation was issued, for all debts which may be due and

owing to its clerks, servants and laborers for services performed for such corporation, but not exceeding six months' service in any one case.

History: 1951 c. 731.

182.224 Actions. Every corporation may maintain an action against any of its members or stockholders for any cause relating to the business of the corporation the same as against any other person; and like actions may be maintained by any member or stockholder against such corporation for any cause of action in his favor against the same.

History: 1951 c. 731.

182.226 Reorganization under bankruptcy act; filing order of U. S. court; effect. Upon payment of their fees, the secretary of state and register of deeds shall respectively file and record duly certified copies of any order made by a district court of the United States in a corporate reorganization proceeding if such order has appended thereto and authorizes and approves an amendment or amendments to the articles of organization of a corporation in the course of consummating a plan of reorganization adopted pursuant to chapter X of the national bankruptcy act, without necessity of such amendment having been voted by the corporate stockholders, and an amendment so filed shall have like force and effect as an amendment made by stockholders in conformity with the statutes; and such an amendment may include cancellation and elimination of all or portions of the authorized or outstanding stock of the corporation, and authorization for issuance of new or additional stock, trust deed mortgages and bonds or other securities, pursuant to such plan of reorganization, without necessity of action by stockholders or directors.

History: 1951 c. 731.

182.23 Applicability of chapter. (1) After June 30, 1953 no new corporation except a corporation without capital stock may be organized under this chapter.

(2) This chapter shall apply to corporations without capital stock before, on and after June 30, 1953.

(3) Sections 182.002 (3) (last sentence), 182.0025, 182.003, 182.004, 182.005, 182.007 (1m), 182.0135, 182.016, 182.017, 182.018, 182.019, 182.020, 182.021, 182.025, 182.026, 182.027, 182.028, 182.029, 182.030, 182.031, 182.103 (2nd sentence), 182.104, 182.202 (2) and 182.219 (4) shall apply before, on and after June 30, 1953 to subjects and corporations covered regardless of the date of incorporation or of the legislative authority for incorporation.

(4) After chapter 180 has become applicable to any corporation, this chapter shall not be applicable to such corporation except as provided in subsection (3).

History: 1951 c. 731.