

## CHAPTER 181.

## DOMESTIC CORPORATIONS.

## DISSOLUTION AND REORGANIZATION.

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**181.01 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.

**Note:** Contributions by an employer to the unemployment insurance fund is entitled to priority of payment as a tax under the bankruptcy act. In re Oshkosh Foundry, 28 F Supp. 412.

**181.02 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. [1945 c. 572]

**Note:** Although a corporation ceased to exist after dissolution and the lapse of 3 years, its debts were not extinguished, and a creditor could follow its assets into the hands of a transferee if the property was transferred to be applied by the transferee so far as necessary to the payment of the transferor's indebtedness, including the plaintiff's demand, or if the property was transferred for the purpose of hindering, delaying, and defrauding the plaintiff, without the transferor receiving fair value or equivalent for its property and leaving it without any funds or property with which to pay its debts. (Stats. 1939) West Milwaukee v. Bergstrom Mfg. Co., 242 Wis. 137, 7 NW (2d) 537.

Where articles of incorporation provide for definite date of termination, amendment for purpose of prolonging life of corporation cannot be filed after date of expiration. (Stats. 1931) 21 Atty. Gen. 536.

**181.03 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. [1945 c. 372]

**Note:** Railroad corporation may be dissolved under this section. 20 Atty. Gen. 49. Secretary of state may not refuse to accept for filing certificate of dissolution from corporation whose corporate rights and privileges he has declared forfeited under section 180.08 (2). 25 Atty. Gen. 240.  
 Secretary of state should file certified copy of dissolution resolution of insurance corporation. 22 Atty. Gen. 751.

**181.04 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 181.03 to be recorded with the register of deeds of the county in which such corporation is 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. [1945 c. 372]

**181.05 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 two 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.

**181.06** [Repealed by 1929 c. 92]

**181.07 Merger; nonstock.** (1) **AUTHORITY.** Any two 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 180.07 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. [1945 c. 48]