

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1949



ENROLLED

Com. Sub For
HOUSE BILL No. *309*

(By Mr. *Com. on the Judiciary*)



PASSED *March 11* 1949

In Effect *Ninety days from* Passage



309

ENROLLED
COMMITTEE SUBSTITUTE FOR
House Bill No. 209

[Passed March 11, 1949; in effect ninety days from passage.]

AN ACT to amend and reenact section three, article one, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to powers, compromises, reorganization and charitable contributions by corporations.

Be it Enacted by the Legislature of West Virginia:

That section three, article one, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

Section 3. *Powers; Provision for Compromises and Re-*
2 *organizations.*—Every corporation as such shall have suc-
3 cession by its corporate name for the time limited in its
4 charter, and, if no time be limited, perpetually. It shall
5 have a common seal and may renew or alter the same
6 at pleasure. It may sue and be sued, complain and de-

7 fend; contract and be contracted with, by simple con-
8 tract or specialty; purchase, hold, use, grant, mortgage,
9 pledge, encumber and lease real and personal estate
10 and its franchises, unless forbidden by law; appoint
11 officers and agents, prescribe their powers, duties and
12 liabilities, take bond and security from any of them,
13 and fix their compensation, make all lawful by-laws for
14 the management of its property, the conduct of its busi-
15 ness, and the pursuit of the purposes of its incorpo-
16 ration; and generally exercise all of the powers set
17 forth in its charter and those enumerated in this article;
18 and also do and perform every other act or thing not
19 inconsistent with law which may be appropriate to pro-
20 mote and attain the objects and purposes set forth in
21 its charter.

22 Any corporation created or existing under the laws
23 of the state is hereby authorized by action of its board
24 of directors to make contributions to or for the use or
25 benefit of: The United States, any state, territory, or
26 any political subdivision thereof or the District of Co-
27 lumbia, or any possession of the United States, for exclu-

28 sively public purposes; or a corporation, trust, or com-
29 munity chest, fund, or foundation, created or organized
30 in the United States, or in any possession thereof, or
31 under the laws of the United States, or of any state or
32 territory or of the District of Columbia or of any pos-
33 session of the United States, organized and operated
34 exclusively for religious, charitable, scientific, veterans
35 rehabilitation service, literary or educational purposes,
36 or for the prevention of cruelty to children, no part of
37 the earnings of which inures to the benefit of any pri-
38 vate shareholders or individuals, and no substantial part
39 of the activities of which is carrying on propaganda, or
40 otherwise attempting to influence legislation; or posts
41 or organizations of war veterans, or auxiliary units of,
42 or trusts or foundations for, any such posts or organi-
43 zations, if such posts, organizations, units, trusts, or foun-
44 dations are organized in the United States or any of
45 its possessions, and if no part of their net earnings inures
46 to the benefit of any private shareholder or individual.
47 All contributions made heretofore by authority of the
48 board of directors of the corporation for the purposes

49 prescribed by this act are hereby ratified and con-
50 firmed.

51 Every corporation created for profit, either under the
52 general provisions of this chapter or under the special
53 provisions and requirements thereof applicable to spe-
54 cial classes of corporation, other than banking institu-
55 tions, shall also have power to include in its agreement
56 of incorporation the provisions, contained in subdivision
57 (h) of section six of this article, for compromises and
58 arrangements between the corporation so created and
59 its creditors and/or stockholders and for reorganizations
60 of such corporation in consequence of such compro-
61 mises and arrangements. Whenever such provision is
62 included in the original agreement of incorporation of
63 any such corporation, all persons who become creditors
64 or stockholders thereof shall be deemed to have become
65 such creditors or stockholders subject in all respects
66 to such provision and the same shall be absolutely bind-
67 ing upon them; and whenever such provision is in-
68 serted in the charter of any such corporation by an
69 amendment of such charter all persons who become

70 creditors or stockholders of such corporation after such
71 amendment shall be deemed to have become such cred-
72 itors or stockholders subject in all respects to the said
73 provision and the same shall be absolutely binding
74 upon them. Every such corporation, in the charter of
75 which is included or inserted the said provision con-
76 tained in said subdivision (h) of section six shall be
77 of such nature that any court of equitable jurisdiction
78 within this state shall have power to administer and
79 enforce such provision, and to restrain, pendente lits,
80 all actions and proceedings against any such corpora-
81 tion with respect to which the court so restraining shall
82 have begun the administration and/or enforcement of
83 such provision, and to appoint a temporary receiver or
84 receivers for such corporation and to grant such re-
85 ceiver or receivers such powers as shall be deemed
86 proper.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Joseph L. McGee
Chairman Senate Committee

Benauhever
Chairman House Committee

Originated in the House of Delegates

Takes effect Ninety days from passage.

Howard Myers
Clerk of the Senate

Joseph
Clerk of the House of Delegates

W. Randolph Hunter
President of the Senate

W. E. Brimmer
Speaker House of Delegates

The within APPROVED this the 18TH

day of MARCH, 1949.

Okay L. Patton
Governor.



Filed in the Office of the Secretary of State
of West Virginia

MAR 18 1949
D. PITT O'BRIEN,
SECRETARY OF STATE