WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1959

ENROLLED

HOUSE BILL No. 143

(By Mr. Knight & Mr. Bachmann)

PASSED Feb 17 1959

In Effect Passage

Filed in Office of the Secretary of State of West Virginia MAR 2 1959 JOE F. BURDETT SECRETARY OF STATE
ENROLLED

House Bill No. 143

(By Mr. Knight and Mr. Bachmann)

[Passed February 17, 1959; in effect from passage.]

AN ACT to amend chapters thirty-one and thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by amending and reenacting sections six, eleven, twelve, thirteen, twenty-one, twenty-two, thirty-seven, thirty-eight, thirty-nine, sixty-six, and sixty-seven, article one, chapter thirty-one thereof, and sections two and nine, article seven, chapter thirty-one thereof, and sections three and five, article five, chapter thirty-three thereof, relating to corporate stock and voting classes thereof and the rights of stockholders of corporations to vote for directors or managers.

Be it enacted by the Legislature of West Virginia:

That chapters thirty-one and thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by amending and reenacting sections six, eleven,
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twelve, thirteen, twenty-one, twenty-two, thirty-seven, thirty-
cight, thirty-nine, sixty-six, and sixty-seven, article one, chapter
thy-one thereof, and sections two and nine, article seven,
rule-one thereof, and sections three and five, articleive, chapter thirty-three thereof, to read as follows:

CHAPTER 31. CORPORATIONS


Section 6. Agreement of Incorporation.—The persons
2 desiring to form a corporation as provided in section four
3 hereof, shall sign, acknowledge and file with the secretary
4 of state an agreement, in the general form prescribed by
5 the secretary of state, in which shall be set forth:
6 (a) The name of the corporation, which name shall
7 contain one of the words "association," "company," "corpor-
8 nation," "club," "incorporated," "society," "union," or
9 "syndicate," or one of the abbreviations, "co." or "inc.";
10 but no name shall be assumed already in use by another
11 existing corporation of this state, or by a foreign corpora-
12 tion lawfully doing business in this state, or so similar
13 thereto, in the opinion of the secretary of state, as to lead
14 to confusion.
(b) The post-office address of its principal office or place of business.

(c) The object or objects for which the corporation is formed and the location of its chief works, if it proposes to have any.

(d) If the corporation is to be authorized to issue only one class of stock, the total number of shares of stock which the corporation shall have authority to issue and (1) the par value of each of such shares, or (2) a statement that all such shares are to be without par value; or, if the corporation is to be authorized to issue more than one class of stock, the total number of shares of all classes of stock which the corporation shall have authority to issue and (1) the number of the shares of each class thereof that are to have a par value and the par value of each share of each such class, and/or (2) the number of such shares that are to be without par value, and (3) a statement of all or any of the designations and the powers, preferences and rights, and the qualifications, limitations or restrictions thereof, which are permitted by the provisions of section twenty-two of this article in respect of
any class or classes of stock of the corporation and the
fixing of which by the agreement of incorporation is de-
sired, and 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 any thereof that may be desired
but which shall not be fixed by such agreement. In each
case the agreement of incorporation shall also set forth
the minimum amount of capital with which the corpora-
tion will commence business, which shall not be less than
one thousand dollars. The provisions of this subdivision
(d) shall not apply to corporations which are not organ-
ized for profit and which are not to have authority to
issue capital stock. In the case of such corporations, the
fact that they are not to have authority to issue capital
stock shall be stated in the agreement of incorporation,
and the conditions of membership shall be stated therein.
(e) The names and post-office addresses of the incorp-
orators, and, if a stock corporation, the number of shares
subscribed by each.
(f) Whether or not the corporation is to have perpetual
existence; if not, the time when its existence is to commence and the time when its existence is to cease.

(g) The agreement may also contain any provision which the incorporators may choose to insert for the management of the business and for the conduct of the affairs of the corporation, and any provisions creating, defining, limiting and regulating the powers of the corporation, the directors and the stockholders, or any class of the stockholders, or, in the case of a corporation which is to have no capital stock, of the members of such corporation: Provided, Such provisions are not contrary to the laws of this state.

(h) The agreement may also contain the following provision in haec verba, viz:

"Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the state of West Virginia may, on the application in a summary way of this corporation or of any creditor or stockholder thereof, or on the application of
trustees in dissolution or of any receiver or receivers appointed for this corporation under the laws of the state of West Virginia, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as consequence of such compromise or arrangement, such compromise or arrangement and such reorganization shall, if sanctioned by the court to which such application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders of this corporation, as the case may be, and also on this corporation."

(i) The agreement may also contain such provisions as may be desired limiting or denying to the stockholders the preemptive right to subscribe to any or all additional
issues of stock of the corporation of any or all classes.

(j) The agreement may also contain provisions requiring for any corporate action the vote of a larger proportion of the stock or any class thereof than is required by this chapter.

The agreement shall be acknowledged by the incorporators and transmitted with the proper fees to, and shall be filed with, the secretary of state.

Sec. 11. Amendment of Charter.—Every corporation of this state heretofore or hereafter incorporated may, from time to time and in the manner herein provided, when and as desired, amend its charter by addition to its corporate powers and purposes, or diminution thereof, or both; or by substitution of other powers and purposes, in whole or in part, for those set forth in its charter; or by increasing or decreasing its authorized capital stock or classifying or reclassifying the same, by changing the number, par value, designations, preferences, or relative, participating, optional, or other special rights of the shares, or the qualifications, limitations or restrictions of such rights, or by changing shares with par value into shares without par
value or shares without par value into shares with par value either with or without increasing or decreasing the number of shares: or by changing its corporate name, or by making any other change or alteration in its charter that may be desired; and any or all such changes or alterations may be effected by one amendment: Provided, That every charter as so amended, changed or altered, shall contain only such provisions as it would be lawful and proper to have in an original agreement of incorporation made at the time of making such amendment.

Whenever issued shares having par value are changed into the same or a greater or less number of shares without par value, whether of the same or of a different class or classes of stock, the aggregate amount of the capital of the corporation represented by such shares without par value shall be the same as the aggregate amount of capital represented by the shares so changed; and whenever issued shares without par value are changed into other shares without par value to a greater or lesser number, whether of the same or of a different class or classes, the amount of capital represented by the new shares in the
aggregate shall be the same as the aggregate amount of
capital represented by the shares so changed; and the
amendment of the charter of the corporation effecting any
such change shall set forth that the capital of the corpora-
tion will not be reduced under or by reason of such amend-
ment.

Sec. 12. *Same; How Made.*—Except as hereinafter in
this section provided, a resolution or resolutions specific-
ally stating the proposed amendment or amendments shall
be adopted by a majority vote of all of the shares of
capital stock of the company entitled to vote at a regular
or special meeting of the stockholders, and notice of such
meeting shall be given as provided by the by-laws of the
corporation, or, in the absence of a provision in the by-
laws for such notice, in the manner provided in this
article. The notice to stockholders shall inform them of
the amendments of the charter proposed to be made and
that the stockholders at the meeting will vote upon the
question or questions of making such amendments: *Pro-
vided, however,* That if the corporation have only one class
of stock, and any such amendment would increase or de-
crease the amount of the authorized capital stock, or would
increase or decrease the par value thereof, then the affirm-
ative vote of two-thirds of all the stockholders shall be
necessary to the adoption thereof: Provided further, That
if the corporation have more than one class of stock, and
if any such proposed amendment would alter or change
the preferences given to any one or more classes of stock,
by the charter, or would increase or decrease the amount
of the authorized stock of such class or classes of stock,
or would increase or decrease the par value thereof, then
the holders of the stock of each class of stock affected by
the amendment shall be entitled to vote as a class upon
such amendment, whether by the terms of the charter
such class be entitled to vote or not, and the affirmative
vote of two-thirds in interest of each such class of stock
affected by the amendment shall be necessary to the adop-
tion thereof, in addition to the affirmative vote of a ma-
majority of every other class of stock entitled to vote there-
on: Provided further, That the amount of the authorized
stock of any such class or classes of stock if more than one
class exists, or if only one class that class of stock, may be
increased or decreased by the affirmative vote of the holders of a majority of the stock of the corporation entitled to vote, if so provided in the original charter or in any amendment thereto which created such stock, or class or classes of stock, or in any amendment thereto which was authorized by a resolution or resolutions adopted by the affirmative vote of the holders of two-thirds of such stock, or class or classes of stock: And provided further, That any amendment to the charter under a right reserved therein to make such amendment may be made in the manner specified in the charter and by a vote of the proportion of the shares of outstanding stock and of the class or classes of stock authorized to amend, as set out in the charter.

The president or a vice president of the corporation, under his signature and the seal of the corporation, shall certify the resolution or resolutions and the fact and the manner of the adoption of the same, and of the assenting of all stockholders, the consent of whom is required under this article to the making of such amendment, or amendments, to the secretary of state, who shall issue his certifi-
cate reciting such resolution, corporate action and facts
certified in like manner and with like effect as an original
certificate of incorporation and transmit the same to the
corporation. Such certificate or a certified copy thereof
shall be recorded and received in evidence as provided
for the recordation and admission in evidence of an origi-
inal certificate of incorporation or a certified copy of such
original. Such certificate shall declare the changes or
amendments as in effect from the date thereof.

Sec. 13. Same; Increase or Reduction of Authorized
Stock.—If an increase of the authorized capital stock of
any corporation shall have been duly authorized as pro-
vided in section eleven of this article, the amendment
shall set forth:

(a) The amount of capital stock theretofore author-
ized;

(b) The amount of additional stock authorized;

(c) The classes, if any, into which the additional stock
is to be divided, with the preferences, voting powers, re-
strictions and qualifications of the newly authorized
shares; and
(d) The number and par value of the shares of the newly authorized stock, and, if more than one class, the number and par value of the shares of each class, and if any new or authorized stock is of nominal or without par value that fact and the number of shares of such stock shall be stated.

If a reduction of the authorized but unissued capital stock of any corporation shall have been duly authorized as provided in section eleven of this article, the amendment shall set forth:

(a) The amount of capital stock theretofore authorized and the number and par value of the shares, and if more than one class, the amounts of each class and the number and par value of the shares of each class;

(b) The amount of capital stock issued and, if more than one class, the amount of each class;

(c) The amount of the reduction of authorized but unissued stock, specifying in which class or classes, if more than one class, the reduction is to be effected and the amount of the reduction of each class; and

(d) The number and par value of the shares of each
34 class as reduced and the number of shares of stock of
35 nominal or without par value theretofore authorized and
36 the number of such shares of stock as reduced.

Sec. 21. Corporate Meetings; Time; Place; Notice;
2 Quorum.—The stockholders and/or directors of any cor-
3 portion created under the laws of this state may hold all
4 regular, annual and special meetings for the transaction
5 of the lawful business of the corporation, including the
6 first general meeting for purposes of organization, and
7 keep the principal office of such corporation, either in or
8 out of this state. Regular meetings of the stockholders
9 shall be held at such time and place as the by-laws may
10 prescribe, or if there be no such by-laws, then annually
11 on the fourth Tuesday of January, at eleven o'clock in
12 the forenoon, at the principal office of the company. Notice
13 of regular and special meetings shall be given as required
14 by the by-laws, and if none is prescribed therein, then by
15 mailing to each stockholder, at least ten days prior to the
16 date of meeting, a written notice thereof; or by publica-
17 tion once a week for two weeks in some newspaper pub-
18 lished and of general circulation, in the county of the
principal office or place of business of the corporation. Special meetings may be held at such places and after such notice as the by-laws prescribe, or, if none, then at the same place and after the same notice as a regular meeting. Special meetings of the stockholders may be called by the board of directors, the president and secretary, or any number of stockholders owning in the aggregate at least one-tenth of the number of shares outstanding. The notice of special meetings shall state the business to be transacted, and no business other than that included in the notice or incidental thereto shall be transacted at such meeting.

Regular meetings of the board of directors may be held at such time and place as the by-laws may prescribe, or the board may from time to time designate by resolution. Special meetings of the board of directors may be called by the president, vice president, any two directors of a stock or nonstock corporation, or by any two members of a nonstock corporation. Notice of such meetings shall be given as required by the by-laws, and if none is prescribed therein, then by mailing a written notice to each
director at his last known postoffice address at least five
days before the time of the meeting.

A quorum of the stockholders shall consist of at least a
majority of all of the shares of stock entitled to vote.

Unless otherwise prescribed in the by-laws, or provided
in the charter, a quorum of the directors shall consist of
a majority of the board of directors. Any number less
than a quorum present may adjourn any stockholders' or
directors' meeting until a quorum is present: Provided,
however, That a quorum of the stockholders or members
of a cooperative association organized under the provi-
sions of this chapter shall consist of at least fifteen per
cent of such stockholders or members.

Sec. 22. Classes of Stock; Certificates Filed and Re-
corded in Certain Cases.—Every corporation, other than
a banking institution, shall have power to issue one or
more classes of stock or one or more series of stock within
any class thereof, any or all of which classes may be of
stock with par value or stock without par value, with
such voting powers, full or limited, or without voting
powers and in such series and with such designations,
preferences and relative, participating, optional or other
special rights, and qualifications, limitations or restric-
tions thereof, as shall be stated and expressed in the char-
ter, or in any amendment thereto, or in the resolution or
resolutions providing for the issue of such stock adopted
by the board of directors pursuant to authority expressly
vested in it by the provisions of the charter or of any
amendment thereto. The power to increase or decrease
or otherwise adjust the capital stock as in this chapter
elsewhere provided shall apply to all or any of such
classes of stock. Any preferred or special stock may be
made subject to redemption at such time or times and at
such price or prices and may be issued in such series,
with such designations, preferences and relative, partici-
pating, optional or other special rights, and qualifications,
limitations or restrictions thereof as shall be stated and
expressed in the charter, or in any amendment thereto,
or in the resolution or resolutions providing for the issue
of such stock adopted by the board of directors as herein-
above provided. The holders of preferred or special stock
of any class or of any series thereof shall be entitled to
receive dividends at such rates, on such conditions and at such times as shall be stated and expressed in the charter, or in any amendment thereto, or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors as hereinabove provided, payable in preference to, or in such relation to, the dividends payable on any other class or classes of stock, and cumulative or noncumulative as shall be so stated and expressed. When dividends upon the preferred and special stocks, if any, to the extent of the preference to which such stocks are entitled, shall have been paid or declared and set apart for payment, a dividend on the remaining class or classes of stock may then be paid out of the remaining assets of the corporation available for dividends as elsewhere in this article provided. The holders of the preferred or special stock of any class or of any series thereof shall be entitled to such rights upon the dissolution of, or upon any distribution of the assets of, the corporation as shall be stated and expressed in the charter, or in any amendment thereto, or in the resolution or resolutions providing for the issue of such stock adopted by the board of direc-
tors as hereinabove provided; and any preferred or special
stock of any class or of any series thereof may be made
convertible into, or exchangeable for, shares of any other
class or classes or of any other series of the same or any
other class or classes of stock of the corporation at such
price or prices or at such rates of exchange and with such
adjustments as shall be stated and expressed or provided
for in the charter, or in any amendment thereto, or in the
resolution or resolutions providing for the issue of such
stocks adopted by the board of directors as hereinabove
provided. If any corporation shall be authorized to issue
more than one class of stock or more than one series of
any class, the designations, preferences and relative, par-
ticipating, optional or other special rights of each class
of stock or series thereof and the qualifications, limita-
tions or restrictions of such preferences and/or rights
shall be set forth in full or summarized on the face or back
of the certificate which the corporation shall issue to rep-
resent such class or series of stock. Before any corpora-
tion shall issue any shares of stock of any class or of any
series of any class of which the voting powers, designa-
tions, preferences and relative, participating, optional or other rights, if any, or the qualifications, limitations or restrictions thereof, if any, shall not have been set forth in the charter, or in any amendment thereto, but shall be provided for in a resolution or resolutions adopted by the board of directors pursuant to authority expressly vested in it by the provisions of the charter or an amendment thereto, a certificate setting forth a copy of such resolution or resolutions and the number of shares of stock of such class or series shall be made under the seal of the corporation and signed by the president or a vice president and by the secretary or an assistant secretary of the corporation and acknowledged by such president or vice president before an officer authorized by the laws of West Virginia to take acknowledgments of deeds, and shall be filed and a copy thereof shall be recorded in the same manner as agreements and certificates of incorporation are required to be filed and recorded by the provisions of sections six and ten of this article. Unless otherwise provided in any such resolution or resolutions, the number of shares of stock of any such class or series so set forth in such
resolution or resolutions may be increased or decreased (but not below the number of shares thereof then outstanding) by a certificate likewise made, signed, filed and recorded setting forth a statement that a specified increase or decrease therein had been authorized and directed by a resolution or resolutions likewise adopted by the board of directors; and in case the number of such shares shall be so decreased, the number of shares so specified in such certificate shall resume the status which they had prior to the adoption of the first resolution or resolutions.

In any case in which stock having a par value shall have been issued together with stock without par value for a particular consideration, in determining the amount of the stock without par value issued therefor, the par value of such stock having a par value shall first be deducted from the amount of money or actual value of the consideration determined as aforesaid, and the excess thereof, if any, shall be taken to be the amount of stock without par value so issued.

Sec. 37. Certificate for Stock; Lost or Destroyed Certificate.—Every holder of stock in a corporation shall be
entitled to have a certificate, signed by, or in the name of
the corporation by, the president or a vice president and
the treasurer or an assistant treasurer, or the secretary
or an assistant secretary of such corporation, certifying
the number of shares owned by him in such corporation:

Provided, however, That, where such certificate is signed
by a transfer agent or an assistant transfer agent or by
a transfer clerk acting on behalf of such corporation
and a registrar, the signature of any such president, vice
president, treasurer, assistant treasurer, secretary or as-
sistant secretary may be facsimile. In case any officer
or officers who shall have signed, or whose facsimile sig-
nature or signatures shall have been used on, any such
certificate or certificates shall cease to be such officer
or officers of such corporation, whether because of death,
resignation or otherwise, before such certificate or cer-
tificates shall have been delivered by such corporation,
such certificate or certificates may nevertheless be
adopted by such corporation and be issued and de-
ivered as though the person or persons who signed such
certificate or certificates or whose facsimile signature
shall have been used thereon had not ceased to be such officer or officers of such corporation.

All certificates for stock which is given any preference, priority or preferred rights over any other shares as to dividends or otherwise, or which contains any limitation or restriction of voting or other rights, shall contain an accurate statement of all such preferences, priorities or preferred rights, restrictions and limitations. No certificate for any share of stock shall be issued or delivered to the stockholder until his subscription or sale price for such share is paid in full.

A certificate may be issued in lieu of a certificate lost or destroyed upon such terms and conditions as may be prescribed by the by-laws of the corporation, upon compliance with such terms and conditions by the person who appears by the books of the corporation to be the owner of the lost or destroyed certificate; and the owner may require the officers of the corporation to issue a certificate in the place and stead of one lost or destroyed upon the following conditions: (a) He shall file with the officers of the corporation, first, an affidavit setting
forth the time, place and circumstances of the loss to the
best of his knowledge and belief; second, proof of his
having advertised the loss in a newspaper of general
circulation published near the principal office of the
corporation, once a week for two weeks; (b) he shall
execute and deliver to the corporation a bond with good
security in a penalty of at least the value of the shares
of stock represented by the lost or destroyed certificate,
conditioned to indemnify the corporation and all per-
sons whose rights may be affected by the issuance of
the new certificate against any loss in consequence of
the new certificate being issued: *Provided, however,*
That a new certificate may be issued in lieu of the one
lost, in the discretion of the board of directors, without
requiring the publication of the above notice or the giv-
ing of a bond.

Whenever a certificate for shares of the capital stock
of a corporation of this state which has heretofore been
or may hereafter be issued to a person as agent or
trustee, and as to which the stock ledger of such cor-
poration does not disclose the principal or cestui que
trust, is lost or destroyed, and no person, except the
administrator of the person to whom such certificate was
issued as agent or trustee, has made claim to it against
the corporation for more than twenty-five years, and
such corporation has been a going concern for more
than ten years during such period of twenty-five years,
and has declared five or more dividends upon its capital
stock during the last twenty-five years, and such divi-
dends declared upon the shares of stock alleged to be lost
or destroyed have not been paid to any person, and such
agent or trustee, the holder of such certificate, is dead,
then, and in such case, the administrator of the person
to whom the alleged lost or destroyed certificate was
issued as agent or trustee aforesaid, and who is still
the owner of record of such certificate, shall, after ten
days' written notice to such corporation demanding the
issuance of a new certificate of stock to him as such ad-
ministrator, be entitled to receive, in his name as ad-
ministrator, such new certificate in place of the one
alleged to be lost or destroyed, and such administrator
shall be entitled to receive all dividends that may have
87 been declared upon such certificate or number of shares
88 of stock alleged to be lost or destroyed and remaining
89 unpaid, under and upon the following conditions: (a)
90 If such administrator of such holder of record as agent
91 or trustee of such certificate of stock has given the afore-
92 said ten days' notice in writing to the corporation, he
93 shall cause to be advertised in a newspaper of general
94 circulation published in the county wherein he was
95 granted his letters of administration, once a week for
96 four successive weeks, the fact that he gave to such cor-
97 poration the required ten days' notice in writing; that
98 more than twenty-five years prior thereto a certificate
99 for the number of shares of the capital stock of such
100 corporation was issued to his intestate as agent or trustee;
101 that it is unknown to him who such principal or cestui
102 que trust may be; that no person except the adminis-
103 trator of such agent or trustee has made claim to such
104 certificate for more than twenty-five years; that such
105 certificate has been lost or destroyed; that such stock
106 represented by the certificate lost or destroyed and all
107 dividends payable in respect thereto are claimed by such
administrator for the purpose of distributing and ac-
ounting for the same to the person or persons entitled
thereo; that at least two weeks after the last publica-
tion thereof such administrator, unless such corporation
issues and delivers unto him such new certificate in
the place of the one lost or destroyed and pays over
and delivers to him as such administrator all dividends
payable in respect thereto, will institute suit for the
same; and such notice shall warn any and all persons,
except such administrator, to produce to such corporation,
on or before the expiration of two weeks after the last
publication thereof as aforesaid, a statement in writing
under oath of such claimant or his administrator, of
the origin, circumstances and grounds upon which his
claim as principal or cestui que trust to such stock and
dividends is asserted, as well as the reasons for his
delay in asserting title thereto; (b) if within such period
of time for producing such certificate to such corpora-
tion such statement, satisfactory to such corporation, be
not forthcoming, such corporation shall issue and de-
liver to such administrator a new certificate of stock
in the place and stead of that alleged to be lost or destroyed and also deliver and pay over to him all dividends payable in respect thereto.

Such issuance and delivery of a new certificate and the payment of such dividends by the corporation to such administrator shall relieve such corporation from any and all liability whatsoever to any person claiming in any capacity such shares of stock represented by the certificates lost or destroyed or such dividends in respect thereto.

The procedure provided in this section is cumulative and not exclusive, and nothing herein contained shall be taken or construed as limiting in any way the right of any party who claims to be entitled to a new certificate of stock in the place of a lost or destroyed certificate, or the accumulated dividends thereon, which was issued in the manner hereinbefore provided, to have his or its rights to such new certificate and dividends determined and adjudicated without regard to this section by resort to any court of law or equity having jurisdiction to determine and adjudicate such rights, before
the corporation shall have paid such dividends and is-
151 sued a new certificate under the requirements of this
152 section. The right to prosecute any suit pending at the
time this article takes effect and growing out of the loss
154 of a certificate of stock issued in the name of the trustee
155 or agent shall not be impaired by anything herein con-
tained.

Sec. 38. Ownership of Capital Stock; Who May Vote;
2 Transfer Books.—The person in whose name shares of
3 stock stand on the books of the corporation shall be
deemed the owner thereof so far as the corporation is
5 concerned. The words “trustee,” “agent,” or other like
6 term, after the name of a person in whose name stock
7 stands on the books of the company, without other words
disclosing a trust, beneficiary or principal or other fidu-
9 ciary relationship, shall be deemed descriptive of the
10 person and shall in no way restrict the right of such
11 person to vote the shares of stock for any purpose. The
12 personal representative of a deceased stockholder shall
13 be entitled to vote the shares of stock of his decedent
14 without having such shares transferred to him. The
pledgor shall have the sole right to vote shares of stock pledged for any purpose unless the agreement pledging such shares confers that right upon the pledgee or his or its agent, in which event the person so authorized shall have such voting rights. No voting right shall be given to any stock while owned by the corporation, nor shall any stock so held be entitled to any dividend. Shares of its own stock held by a corporation in any fiduciary capacity may be voted by it in any case in which such shares could be voted by the owner. Stock transfer books shall be kept by the corporation, or by one or more transfer agents appointed by it, in which the shares shall be transferred under such regulations as may be prescribed by the by-laws or board of directors.

Sec. 39. Corporation May Purchase, Hold, Sell and Transfer Its Own Stock; Not to be Voted While Held.—

Every corporation organized under this chapter, or existing under the laws of this state, shall have the power to purchase, hold, sell and transfer shares of its own capital stock: Provided, That no such corporation shall use its funds or property for the purchase of its own
shares of capital stock when such use would cause any impairment of the capital of the corporation: *Provided further*, That shares of its own capital stock belonging to the corporation shall not be voted upon, directly or indirectly: *And provided further*, That nothing in this section shall be construed as limiting the exercise of the rights given by the next succeeding section of this article. This section shall not apply to, or authorize the purchase of its shares by, any banking institution in this state.

**Sec. 66. Voting Rights; Cumulative Voting.**—In all elections of directors of corporations each stockholder shall have the right to cast one vote for each share of stock owned by him and entitled to a vote, and he may cast the same in person or by proxy, for as many persons as there are directors to be elected, or he may cumulate such votes and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares of stock shall equal; or he may distribute them on the same principle among as many candidates and in such manner as he shall desire, and the
12 directors shall not be elected in any other manner; and
13 on any other question to be determined by a vote of shares
14 at any meeting of stockholders each stockholder shall
15 be entitled to one vote for each share of stock owned
16 by him and entitled to a vote, and he may exercise this
17 right in person or by proxy.

Sec. 67. Same; Fractional Shares; Duration of Proxy;
2 Death of Giver of Proxy.—No voting rights shall attach
3 to any fractional part of a share of stock, and no person
4 shall vote on any proxy after three years from the date
5 thereof unless the proxy specifically confers the right
6 to vote for a longer period, and then only within the
7 period specified. The acts of the holder of any proxy
8 heretofore or hereafter done in good faith without fraud
9 after the death of the stockholder and without knowledge
10 on the part of the person exercising the proxy after such
11 death shall not be invalidated because of the death of
12 such stockholder.

Article 7. Industrial Loan Companies.

Section 2. Incorporators; Name; Capital Stock.—Any
2 number of persons, not fewer than thirteen, citizens of
this state, may become an industrial loan company on
the terms and conditions and subject to the liabilities
prescribed by this article. The name of any corporation
formed under this article may contain the words “in-
dustrial loan company,” but such name shall not be that
of any other existing corporation of this state. The
capital stock of any such corporation shall not be less than
twenty-five thousand dollars, and shall consist of shares
of common stock. The voting power and control of the
corporation during its life shall be vested in the common
stock only if more than one class of stock is to be issued.
Such common stock, with which it will commence busi-
ness, shall be paid in before such corporation shall be
authorized to engage in business, except such business
as is incidental and necessarily preliminary to its or-

ganization.

Sec. 9. Annual and Special Meeting of Stockholders;
Voting; Proxy; Fiscal Year.—The stockholders of each in-
dustrial loan company shall meet annually in the month
of January, a majority of the outstanding voting stock to
constitute a quorum; and it shall be the duty of the sec-
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6 retary to prepare and submit to the stockholders a clear
7 and concise statement of the financial condition of the
8 corporation as of the close of business on the first day of
9 the month next preceding. At such meeting the stock-
10 holders shall elect a board of directors of not less than
11 five, a majority of which shall be bona fide residents of
12 the state of West Virginia. Special meetings may be called
13 by order of the board of directors or by request in writing
14 of ten per centum of the stockholders.
15 In all elections of directors of the corporation each
16 stockholder shall have the right to cast one vote for each
17 share of stock owned by him and entitled to vote, and he
18 may cast the same in person or by proxy, for as many
19 persons as there are directors to be elected, or he may
20 cumulate such votes and give one candidate as many votes
21 as the number of directors to be elected multiplied by
22 the number of his shares of stock shall equal; or he may
23 distribute them on the same principle among as many
24 candidates and in such manner as he may desire, and the
25 directors shall not be elected in any other manner, and
26 on any other question to be determined by a vote of shares
at any meeting of stockholders each stockholder shall be
etitled to one vote for each share of stock owned by him
and entitled to vote, and he may exercise this right in
person or by proxy, but if by proxy, in no instance can
it be voted in any meeting other than which it was first
intended.

CHAPTER 33. INSURANCE

Article 5. Organization and Procedures of Domestic Stock and
Mutual Insurers.

Section 3. Articles of Incorporation.—In addition to the
matters and things required generally in articles of in-
corporation, those of a domestic stock or mutual insurer
shall state:

(a) the name of the corporation;

(b) the duration of its existence, which may be per-
petual;

(c) the kinds of insurance the corporation is formed
to transact according to the definitions thereof in this
chapter;

(d) if a stock insurer, its authorized capital, the classes
and number of shares into which divided, the par value
of each such share, and the respective rights of each such

class. Shares without par value shall not be authorized;

(e) if a mutual insurer, the maximum contingent lia-

bility of its members (other than as to nonassessable poli-

cies) for payment of losses and expenses incurred, which

liability shall be as stated in the articles of incorporation

but not less than one nor more than six times the premium

for the member's policy at the annual premium rate for a

term of one year;

(f) the number of directors, not less than five nor more

than fifteen, who shall conduct the affairs of the corpora-

tion;

(g) the city or town in West Virginia in which is to be

located the principal place of business, and states and

countries in which business may be transacted;

(h) the limitations, if any, on the corporation's indebted-

ness;

(i) if a stock insurer, the extent, if any, to which its

stock shall be assessable;

(j) such other provisions, not inconsistent with law, as

are deemed appropriate.
Sec. 5. Amendment of Articles of Incorporation.—

(a) A stock insurer may amend its articles of incorporation in the same manner as other corporations, but no such amendment shall reduce authorized capital below the amount required by this chapter for the kinds of insurance thereafter to be transacted and except that no such amendment shall be filed with or accepted by the secretary of state unless approved in writing by the commissioner.

(b) A mutual insurer may amend its articles of incorporation by the affirmative vote of two-thirds of its members present in person or by proxy at a regular or special meeting of members of which notice in writing setting forth the proposed amendment was mailed to all members at least thirty days in advance, except that no such amendment shall reduce the surplus below the amount required by this chapter for the kinds of insurance thereafter to be transacted and except that no such amendment shall be filed with or accepted by the secretary of state unless approved in writing by the commissioner.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the House of Delegates.

Takes effect from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within approved this the 28th day of February, 1959.

Governor