

must have a place of business and an authorized agent in the state, Art. XIV, § 42. "No corporation shall engage in any business other than that expressly authorized in its charter," § 5. No corporation shall issue stock or bonds, except for money, labor done, or money or property actually received, and all fictitious increase of stock or indebtedness shall be void. Neither stock nor bonded debt shall be increased without the consent of a majority in value of the stockholders obtained at a meeting, noticed thirty days, § 6. There is no liability of stockholders beyond the unpaid subscription, § 8. Corporations shall not issue preferred stock, except on the consent of two-thirds in interest, § 9. No bank shall be established otherwise than under a general banking law, § 15. The state shall not be a stockholder in, or give credit to any bank, § 20. Railroads and transportation companies are forbidden to grant free passes or special rates to members of the legislature and state or federal officers, § 23. No street railroad shall be constructed without the consent of the local authorities, § 24.

**Miscellaneous Corporations.**—Special provision is made for the incorporation of banks, insurance companies, mining, quarrying and manufacturing companies, railroad and street railroad companies, toll-road, navigation and telegraph companies.

Two or more may incorporate "for any lawful enterprise if not otherwise provided by law," Civil Code 1887, § 1659. Declaration is to be filed in office of probate judge, § 1660. The judge issues a commission to take subscriptions, § 1661. Subscriptions must be payable in money, but the commissioner may accept labor and property, § 1662. May organize when fifty per cent of stock has been subscribed in good faith. Twenty per cent shall be paid in at the time of organization or written contracts made for substituted services or property, which facts being verified by affidavits duly filed, the probate judge issues charter, § 1663. May not borrow to exceed the amount of the capital stock. Mortgage not to be made except by a majority vote at a meeting specially called on thirty days' notice, § 1664. Stockholders meet annually at a time and place fixed by the by-laws, §§ 1666, 1681. The capital stock may be increased by a majority vote and with the same formalities as *supra*, but not to exceed one million dollars; each stockholder has a preference in taking a proportionate amount of the increase, § 1667. Must require a register of stock transfer on the books. A non-registered transfer is void after fifteen days, § 1671. Shares are subject to levy and sale under attachment or execution, § 1673. All private corporations have a lien on shares of stockholders for any debt or liability incurred before notice of transfer or of a levy on such shares, § 1674. Failure to organize for two years is a

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