

by the incorporators or in respect to the application for the certificate of incorporation, to conform to any requirement of law which is a condition precedent to such issuance, may not subsequent thereto be held to invalidate the certificate of incorporation or alter the legal status of any act of a China Trade Act corporation, except in proceedings instituted by the registrar for the revocation of the certificate of incorporation.

(Sept. 19, 1922, ch. 346, § 5, 42 Stat. 850.)

§ 146. General powers of corporation

In addition to the powers granted elsewhere in this chapter, a China Trade Act corporation—

(a) Shall have the right of succession during the existence of the corporation;

(b) Shall have a corporate seal and may, with the approval of the Secretary, alter it;

(c) May sue and be sued;

(d) Shall have the right to transact the business authorized by its articles of incorporation and such further business as is properly connected therewith or necessary and incidental thereto;

(e) May make contracts and incur liabilities;

(f) May acquire and hold real or personal property, necessary to effect the purpose for which it is formed, and dispose of such property when no longer needed for such purposes;

(g) May borrow money and issue its notes, coupon or registered bonds, or other evidences of debt, and secure their payment by a mortgage of its property; and

(h) May establish such branch offices at such places in China as it deems advisable.

(Sept. 19, 1922, ch. 346, § 6, 42 Stat. 851; Feb. 26, 1925, ch. 345, § 6, 43 Stat. 996.)

AMENDMENTS

1925—Par. (b). Act Feb. 26, 1925, substituted “Shall” for “May”.

TREATY

Par. (h) of this section has been affected by the 1943 Treaty between United States of America and the Republic of China, 57 Stat. 767, in which the United States relinquished all extraterritorial jurisdiction and rights in China. See Codification note set out under section 142 of this title.

§ 146a. Jurisdiction of suits by or against China Trade Act corporation

The Federal district courts shall have exclusive original jurisdiction of all suits to which a China Trade Act corporation, or a stockholder, director, or officer thereof in his capacity as such, is a party. Suit against the corporation may be brought in the United States District Court for the District of Columbia or in the Federal district court for any district in which the corporation has an agent and is engaged in doing business.

(Sept. 19, 1922, ch. 346, § 20(a), formerly § 20, 42 Stat. 855; renumbered § 20(a), Feb. 26, 1925, ch. 345, § 10, 43 Stat. 996; June 25, 1936, ch. 804, 49 Stat. 1921; Treaty of Jan. 11, 1943, 57 Stat. 767; June 25, 1948, ch. 646, § 32(a), 62 Stat. 991; May 24, 1949, ch. 139, § 127, 63 Stat. 107.)

CODIFICATION

Section comprises subsec. (a) of section 20 of act Sept. 19, 1922, as amended by act Feb. 26, 1925. Subsec. (b) of section 20 is classified to section 160 of this title.

In the first sentence, the words “(except as provided by the Act entitled ‘An Act creating a United States Court for China and prescribing the jurisdiction thereof,’ approved June 30, 1906, as amended)” have been omitted because that Act (formerly classified to sections 191 to 197, 199, 200, and 202 of Title 22, Foreign Relations and Intercourse) was repealed by act June 25, 1948, ch. 646, § 39, 62 Stat. 992, eff. Sept. 1, 1948.

The provision in the second sentence that suits against the China Trade Act corporation might also be brought in the United States Court for China was omitted as that court is no longer in operation. By the treaty of Jan. 11, 1943, between the United States and China, the United States relinquished extraterritorial rights in China. See Codification note set out under section 142 of this title.

Section was formerly classified to section 53 of Title 28 prior to the general revision and enactment of Title 28, Judiciary and Judicial Procedure, by act June 25, 1948, ch. 646, § 1, 62 Stat. 869.

CHANGE OF NAME

Act June 25, 1948, eff. Sept. 1, 1948, as amended by act May 24, 1949, substituted “United States District Court for the District of Columbia” for “district court of the United States for the District of Columbia”.

Act June 25, 1936, changed name of “Supreme Court of the District of Columbia” to “district court of the United States for the District of Columbia”.

§ 147. Stock; issuance at par value

Each share of the original or any subsequent issue of stock of a China Trade Act corporation shall be issued at not less than par value, and shall be paid for in cash, or in accordance with the provisions of section 148 of this title, in real or personal property which has been placed in the custody of the directors. No such share shall be issued until the amount of the par value thereof has been paid the corporation; and when issued, each share shall be held to be full paid and nonassessable; except that if any share is, in violation of this section, issued without the amount of the par value thereof having been paid to the corporation, the holder of such share shall be liable in suits by creditors for the difference between the amount paid for such share and the par value thereof.

(Sept. 19, 1922, ch. 346, § 7, 42 Stat. 851; Feb. 26, 1925, ch. 345, § 7, 43 Stat. 996.)

AMENDMENTS

1925—Act Feb. 26, 1925, substituted “not less than par value” for “par value only”.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 148 of this title.

§ 148. Payment of stock in real or personal property

No share of stock of a China Trade Act corporation shall, for the purposes of section 147 of this title or of subdivision (d) of section 144 of this title, be held paid in real or personal property unless (1) a certificate describing the property and stating the value at which it is to be received has been filed by the corporation with the Secretary or the registrar in such manner as shall be by regulation prescribed, and a fee to be

fixed by the Secretary or the registrar, respectively, to cover the cost of any necessary investigation has been paid, and (2) the Secretary or the registrar, as the case may be, finds and has certified to the corporation that such value is not more than the fair market value of the property.

(Sept. 19, 1922, ch. 346, §8, 42 Stat. 851.)

REFERENCES IN TEXT

Subdivision (d) of section 144 of this title, referred to in text, was in the original "paragraph (7) of subdivision (b) of section 4", which is classified to section 144(b)(7) of this title. Part of the provisions of par. (7) were transferred to subd. (d) of section 144 by act Feb. 26, 1925, ch. 345, §§3, 5, 43 Stat. 995.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 144, 147 of this title.

§ 149. Bylaws

The bylaws may provide—

(a) The time, place, manner of calling, giving notice, and conduct of, and determination of a quorum for, the meetings, annual or special, of the stockholders or directors;

(b) The number, qualifications, and manner of choosing and fixing the tenure of office and compensation of all directors; but the number of such directors shall be not less than three, and a majority of the directors, and the president and the treasurer, or each officer holding a corresponding office, shall, during their tenure of office, be citizens of the United States resident in China.

(c) The manner of calling for and collecting payments upon shares of stock, the penalties and forfeitures for nonpayment, the preparation of certificates of the shares, the manner of recording their sale or transfer, and the manner of their representation at stockholders' meetings.

(Sept. 19, 1922, ch. 346, §9, 42 Stat. 852; Feb. 26, 1925, ch. 345, §8, 43 Stat. 996.)

AMENDMENTS

1925—Par. (b). Act Feb. 26, 1925, amended par. (b) generally.

§ 150. Stockholders' meetings

(a) Time of first meeting; quorum

Within six months after the issuance of the certificate of incorporation of a China Trade Act corporation there shall be held a stockholders' meeting either at the principal office or a branch office of the corporation. Such meeting shall be called by a majority of the directors named in the articles of incorporation and each stockholder shall be given at least ninety days' notice of the meeting either in person or by mail. The holders of two-thirds of the voting shares, represented in person or by proxy, shall constitute a quorum at such meetings authorized to transact business. At this meeting or an adjourned meeting thereof a code of bylaws for the corporation shall be adopted by a majority of the voting shares represented at the meeting.

(b) Questions for determination only by stockholders

The following questions shall be determined only by the stockholders at a stockholders' meeting:

- (1) Adoption of the bylaws;
- (2) Amendments to the articles of incorporation or bylaws;
- (3) Authorization of the sale of the entire business of the corporation or of an independent branch of such business;
- (4) Authorization of the voluntary dissolution of the corporation; and
- (5) Authorization of application for the extension of the period of duration of the corporation.

(c) Authorization of amendments to articles of incorporation

The adoption of any such amendment or authorization shall require the approval of at least two-thirds of the voting shares. No amendment to the articles of incorporation or authorization for dissolution or extension shall take effect until (1) the corporation files a certificate with the Secretary stating the action taken, in such manner and form as shall be by regulation prescribed, and (2) such amendment or authorization is found and certified by the Secretary to conform to the requirements of this chapter.

(d) Filing of bylaws and amendments and minutes of stockholders' meetings with registrar

A certified copy of the bylaws and amendments thereof and of the minutes of all stockholders' meetings of the corporation shall be filed with the registrar.

(Sept. 19, 1922, ch. 346, §10, 42 Stat. 852; Feb. 26, 1925, ch. 345, §9, 43 Stat. 996.)

AMENDMENTS

1925—Subsec. (a). Act Feb. 26, 1925, inserted "represented in person or by proxy," in third sentence.

§ 151. Directors

The directors designated in the articles of incorporation shall, until their successors take office, direct the exercise of all powers of a China Trade Act corporation except such as are conferred upon the stockholders by law or by the articles of incorporation or bylaws of the corporation. Thereafter the directors elected in accordance with the bylaws of the corporation shall direct the exercise of all powers of the corporation except such as are so conferred upon the stockholders. In the exercise of such powers the directors may appoint and remove and fix the compensation of such officers and employees of the corporation as they deem advisable.

(Sept. 19, 1922, ch. 346, §11, 42 Stat. 852.)

§ 152. Reports; records for public inspection

(a) For the purposes of this chapter the fiscal year of a China Trade Act corporation shall correspond to the calendar year. The corporation shall make and file with the registrar, in such manner and form and at such time as shall be by regulation prescribed, a report of its business for each such fiscal year and of its financial condition at the close of the year. The corporation shall furnish a true copy of the report to each of its stockholders.

(b) The registrar shall file with the Secretary copies of all reports, certificates, and certified