

NORTH CAROLINA GENERAL ASSEMBLY
1969 SESSION

CHAPTER 751
SENATE BILL 493

1 AN ACT TO AMEND CHAPTER 55 AND RELATED PROVISIONS OF THE GENERAL
2 STATUTES RELATING TO BUSINESS CORPORATIONS.

3
4 The General Assembly of North Carolina do enact:

5
6 **Section 1.** G.S. 55-6 is amended and rewritten to read as follows:

7 "**Sec. 55-6. Incorporators.** One or more natural persons, whether or not residents of this State,
8 of the age of 21 years or more may act as incorporators of a corporation by signing and
9 acknowledging articles of incorporation, which shall be filed in accordance with the provisions
10 of G.S. 55-4. The acknowledgement shall be before an officer duly authorized under the laws
11 of this State to take the proof or acknowledgment of deeds."

12 **Sec. 2.** G.S. 55-7(9) is hereby amended and rewritten to read as follows:

13 "(9) The number of directors constituting the initial board of directors (who may
14 be classified in accordance with the provisions of G.S. 55-26) and the name
15 and address, including street and number, if any, of each person who is to
16 serve as a director until the first meeting of shareholders or until his
17 successor be elected and qualified.

18 **Sec. 3.** G.S. 55-1 1 is hereby amended and rewritten to read as follows:

19 "**Sec. 55-11. Organization meeting of directors.** After the filing of the articles of
20 incorporation in the office of the Secretary of State, an organization meeting of the board of
21 directors named in the articles of incorporation shall be held, either within or without this State,
22 at the call of a majority of the directors, for the purpose of adopting by-laws, electing officers,
23 and the transaction of such other business as may come before the meeting. The directors
24 calling the meeting shall give at least three days notice thereof by mail to each director so
25 named, which notice shall state the time and place of the meeting, unless notice is waived as
26 hereinafter provided. Any action permitted to be taken at the organization meeting may be
27 taken without a meeting of the board of directors and shall be deemed board action if it
28 complies with the requirements of G.S. 55-29."

29 **Sec. 4.** G.S. 55-42(c) is hereby amended and rewritten to read as follows:

30 "(c) The corporate name shall not, subject to the provisions of G.S. 55-137(c), be the
31 same as, or deceptively similar to, the name of any domestic corporation or of any foreign
32 corporation authorized to transact business in this State, or a name the exclusive right to which
33 is, at the time, reserved or registered by some other person in the manner prescribed in this
34 Section.

35 **Sec. 5.** G.S. 55-12(f) is hereby amended by inserting in the third line thereof
36 immediately after the word "therefor" the words "stating the name and address of the
37 applicant,".

38 **Sec. 6.** G.S. 55-12 is hereby amended by renumbering subsection (h) thereof as
39 subsection (j) thereof and by inserting at the end of subsection (g) thereof two new subsections
40 numbered (h) and (i) to read as follows:

41 "(h) Any foreign corporation not transacting business in this State may register its
42 corporate name, if, not prohibited by this Section, by filing with the Secretary of State a
43 verified application therefor setting forth the name and address of the principal office of the

corporation, the jurisdiction in which it is incorporated, the date of its incorporation, a statement that it is organized and doing business in good standing under the laws of the jurisdiction in which it is incorporated, and a brief statement of the business in which it is engaged; and the Secretary of State shall, upon tender of the fee prescribed by G.S. 55-155(a)(1), register the name exclusively for the use of such foreign corporation, unless he finds that the name is not available under the provisions of this Section. Such registration shall be effective for a period of one year, and it may be renewed from year to year, not to exceed ten years, by filing with the Secretary of State a verified renewal application setting forth the same facts required to be set forth in the original application for registration. Any renewal application filed after the expiration of the registration shall be treated as a new application for registration.

"(i) The Secretary of State may revoke any reservation or registration of a corporate name if he finds, upon a hearing held not less than five (5) days after written notice has been sent by registered mail to the person or corporation who made the reservation or registration, that the application therefor or any transfer thereof was not made in good faith or that any statement contained in the application for reservation or registration was false when such application was filed or has thereafter become false."

Sec. 7. G.S. 55-17 (b)(3) is hereby amended and rewritten to read as follows:

"(3) To enter into contracts of guaranty or suretyship or make other financial arrangements for the benefit of any person, firm or corporation."

Sec. 8. G.S. 55-17(b)(4) is hereby amended and rewritten to read as follows:

"(4) To provide insurance for its benefit on the life or physical or mental ability of any of its officers or employees or on the life or physical or mental ability of any security holder for the purpose of acquiring at his death or disability its securities owned by such security holder, and for these purposes the corporation is deemed to have an insurable interest in its officers, employees, or security holders; and to provide insurance for its benefit on the life or physical or mental ability of any other person in whom it has an insurable interest."

Sec. 9. G.S. 55-22 is hereby amended and rewritten to read as follows:

"Sec. 55-22. Loans and Guaranties. (a) Subject to the provisions of subsection (b) hereof, except with the consent of the holders of a majority of all the shares outstanding, regardless of limitation on voting rights, other than the shares held by the adversely interested party, a corporation shall not, directly or indirectly, make any loan of money or property to, or guarantee or otherwise secure the obligation of:

(1) Any directors or officers of the corporation; or

(2) Any corporation of which the officers and directors of the lending or securing corporation own more than fifty percent (50%) of the outstanding securities of any class; or

(3) Any dominant shareholder or any other corporation of which said shareholder is a dominant shareholder, unless that corporation is a subsidiary of the lending or securing corporation; or

(4) Any person upon the security of the shares of any corporation mentioned in subdivisions (2) and (3) of this subsection. A sale on credit in the ordinary course of business is not a loan within the meaning of this Section.

"(b) If all shareholders, regardless of limitation on voting rights, are adversely interested in the proposed loan, guaranty, or other form of security, such transaction may be entered into by the corporation only with the consent of all such shareholders.

"(c) The provisions of this Section do not apply to loans, guaranties, or other forms of security extended by banks, industrial banks, building and loan associations, land and loan associations, credit unions or insurance companies, or to loans permitted under any statute regulating any special class of corporations."

1 **Sec. 10.** G.S. 55-25(a) is amended and rewritten to read as follows:

2 "(a) The number constituting the board of directors shall not be fewer than three, except
3 that the initial board of directors fixed by the Articles of Incorporation maybe fewer than three
4 (3) until the issuance of shares and except also that if and so long as all the shares of a
5 corporation are owned of record by either one or two shareholders the number of directors may
6 be fewer than three but not fewer than the number of such shareholders. The number
7 constituting the initial board of directors shall be fixed by the Articles of Incorporation. In the
8 absence of a provision in the Articles of Incorporation, the charter, or the by-laws fixing the
9 number of directors, the number shall be the same as that fixed in the Articles of Incorporation
10 for the initial board of directors, subject to the provisions of this Section. The Articles of
11 Incorporation, the charter, or the by-laws may provide for a maximum and minimum number of
12 directors, and, if so, shall designate the manner in which such number shall from time to time
13 be determined. If the fixing of a maximum and minimum number of directors is authorized, the
14 Articles of Incorporation, the charter, or the by-laws may provide that any directorships not
15 filled by the shareholders shall be treated as vacancies to be filled by and in the discretion of
16 the board of directors."

17 **Sec. 11.** G.S. 55-25 is hereby amended by adding at the end of subsection (e) a new
18 subsection (f) to read as follows:

19 "(f) The number of votes necessary to elect a director and the procedure for election of
20 directors are governed by the provisions of G.S. 55-67(c)."

21 **Sec. 12.** G.S. 55-28(d) is hereby amended and rewritten to read as follows:

22 "(d) A majority of the number of directors fixed by the charter or by-laws shall constitute
23 a quorum for the transaction of business unless a greater number is required by the charter or
24 the by-laws. The act of the majority of the directors present at a meeting at which a quorum is
25 present shall be the act of the board of directors, unless the act of a greater number is required
26 by this chapter, the charter or the by-laws."

27 **Sec. 13.** G.S. 55-31 is hereby amended and rewritten to read as follows:

28 **"Sec. 55-31. Executive and other committees.** (a) Unless otherwise provided in the charter or
29 a by-law adopted by the shareholders, the board of directors, by resolution adopted by a
30 majority of the number of directors then in office may designate from among its members an
31 executive committee and one or more other committees, each consisting of two or more
32 directors, and each of which, to the extent provided in the resolution or in the charter or the by-
33 laws of the corporation, shall have and may exercise all of the authority of the board of
34 directors in the management of the corporation, except that no such committee shall have
35 authority as to the following matters:

- 36 (1) The dissolution, merger or consolidation of the corporation: or the sale, lease
37 or exchange of all or substantially all of the property of the corporation.
38 (2) The designation of any such committee or the filling of vacancies in the
39 board of directors or in any such committee.
40 (3) The fixing of compensation of the directors for serving on the board or on
41 any such committee.
42 (4) The amendment or repeal of the by-laws, or the adoption of new by-laws.
43 (5) The amendment or repeal of any resolution of the board which by its terms
44 shall not be so amendable or repealable.

45 "(b) Any such committee, or any member thereof may be discharged or removed by
46 action of a majority of the board of directors pursuant to the provisions of G.S. 55-28 (d) or
47 G.S. 55-29.

48 "(c) The designation of any such committee and the delegation thereto of authority shall
49 not operate to relieve the board of directors or any member thereof, of any responsibility or
50 liability imposed upon it or him by law."

1 **Sec. 14.** Chapter 55 of the General Statutes is hereby amended by inserting a new
2 section G.S. 55-37.1 therein to read as follows:

3 **"Sec. 55-37.1. Form of Records.** Any records maintained by a corporation in the regular
4 course of its business, including its stock ledger, books of account, and minute books, may be
5 kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or
6 any other information storage device; provided that the records so kept can be converted into
7 clearly legible form within a reasonable time. Any corporation shall so convert any records so
8 kept upon the request of any person entitled to inspect the same. Where records are kept in such
9 manner, the cards, tapes, photographs, microphotographs or other information storage device
10 together with a duly authenticated print-out or translation shall be admissible in evidence, and
11 shall be accepted for all other purposes, to the same extent as an original written record of the
12 same information would have been."

13 **Sec. 15.** G.S. 55-40(c) is hereby amended and rewritten to read as follows:

14 "(c) Notwithstanding the provisions of subsection (a)(2) of this Section, authorizing the
15 issuance of shares entitling the holders thereof to noncumulative or partially cumulative
16 dividends, noncumulative preferred shares of a class out of which shares were initially issued
17 after June 30, 1957, and before October 1, 1969, shall be entitled to a dividend credit, as
18 defined in this chapter, and until such dividend credit is fully discharged no dividend shall be
19 paid to any shares that are subordinate to such preferred shares as to dividends."

20 **Sec. 16.** G.S. 55-40(d) is hereby amended and rewritten to read as follows:

21 "(d) Unless the provisions of the charter or of resolutions fixing the characteristics of
22 shares clearly indicate otherwise, if noncumulative shares, whether issued before or after the
23 enactment of this chapter, are entitled to preferential payments on liquidation or dissolution, the
24 amount of any then existing dividend credit shall be added to the said preferential payment."

25 **Sec. 17.** G.S. 55-40(e) is hereby amended and rewritten to read as follows:

26 "(e) Except in cases falling within G.S. 55-52(b)(4) or (5), no shares shall be hereafter
27 authorized which purport to be redeemable at the election of the holder or which at the election
28 of the holder purport to change his status to that of a creditor either at a designated time or upon
29 a designated contingency. Nothing herein shall invalidate mandatory sinking fund requirements
30 for the application of net earnings to the redemption of shares. This subsection shall not apply
31 to building and loan associations or to land and loan associations."

32 **Sec. 18.** G.S. 55-43(e) is hereby amended by adding at the end of the first sentence
33 of subsection (e) after the word "series", the words"; provided, that nothing herein shall
34 invalidate the provisions of written agreements falling within G.S. 55-52(b)(4)."

35 **Sec. 19.** Chapter 55 of the General Statutes is amended by inserting immediately
36 after G.S. 55-44 and immediately preceding G.S. 55-45 a new section G.S. 55-44.1 to read as
37 follows:

38 **"Sec. 55-44.1. Rights of holders of debt securities.** In addition to any rights otherwise
39 lawfully conferred, the charter of the corporation may confer upon the holders of any bonds,
40 debentures or other debt obligations issued or to be issued by the corporation any one or more
41 of the following powers and rights upon such terms and conditions as may be prescribed in the
42 charter:

- 43 (1) The power to vote on any matter either in conjunction with or to the full or
44 partial exclusion of its shareholders.
45 (2) The right to inspect the corporate books and records.
46 (3) Any other rights concerning the corporation which its shareholders have or
47 may have.

48 "Any such power or right shall not be diminished, as to bonds, debentures or other
49 obligations then outstanding, except by an amendment of the charter approved by the vote or
50 written consent of the holders of a majority in principal amount thereof or such larger
51 percentage as may be specified in the charter."

Sec. 20. G.S. 55-46(a)(1) is hereby amended and rewritten to read as follows:

"(1) Money or property, tangible or intangible, received by, or inuring to the benefit of, the corporation."

Sec. 21. G.S. 55-49(d) is hereby amended and rewritten to read as follows:

"(d) Earned surplus is the portion of the surplus of a corporation equal to the balance of its net profits, income, gains and losses, including gains and losses realized from the disposition or destruction of fixed assets (but not including unrealized appreciation in the value of any assets), from the date of incorporation, after deducting subsequent distributions to shareholders and transfers to stated capital and to capital surplus to the extent that such distributions and transfers are made out of earned surplus, and after adding all transfers made from capital surplus as permitted by subsection (i) of this Section, all computed in accordance with generally accepted principles of sound accounting practice applicable to the kind of business conducted by the corporation."

Sec. 22. G.S. 55-50(g) is hereby amended and rewritten to read as follows:

"(g) Concurrently with the payment of a dividend the corporation shall disclose to the shareholders receiving the same the source from which the dividend is paid if it is paid:

(1) Otherwise than out of earned surplus, or

(2) Out of earned surplus if within one year prior to the dividend payment a deficit in the earned surplus account has been reduced or eliminated as permitted by G.S. 55-49(i), or

(3) Out of earned surplus or net profits computed without deduction for depletion of natural resources."

Sec. 23. G.S. 55-52(b)(4) is hereby amended and rewritten to read as follows:

"(4) To perform its obligation or exercise its right to purchase shares of an employee or former employee under a written agreement relating to the employment, or to perform its obligation or exercise its right under a written agreement to purchase shares of a deceased or disabled shareholder upon death or disability."

Sec. 24. G.S. 55-521(c)(1) is amended and rewritten to read as follows:

"(1) If an offer is made to purchase pro rata from all its shareholders or all of a class of shareholders."

Sec. 25. G.S. 55-52(c)(2) is amended and rewritten to read as follows:

"(2) From any shareholder shares which at the time are listed on an organized securities exchange."

Sec. 26. G.S. 55-52(c)(3) is amended and rewritten to read as follows:

"(3) From any shareholder of any class, if the board of directors shall have obtained authorization so to purchase, within a period of one year preceding the purchase, by vote of a majority of the shares of the corporation entitled to vote after full disclosure to the holders of all such shares of the specific purpose of the proposed purchase, together with a statement of the number and class of shares proposed to be purchased. Such vote shall not be required for each specific purchase, provided the total number of shares purchased from any class shall not exceed the maximum number of shares of that class authorized to be purchased."

Sec. 27. G.S. 55-52(d) is hereby amended and rewritten to read as follows:

"(d) A corporation may acquire shares issued by a parent corporation by purchase from such parent corporation, gift, bequest, merger, consolidation, distribution of the assets of the parent or another corporation or otherwise, but not by purchase of the outstanding shares of the parent."

Sec. 28. G.S. 55-53(f) is hereby amended and rewritten to read as follows:

"(f) Every original holder of watered shares or of shares not fully paid as agreed shall continue liable thereon to the corporation notwithstanding any transfer of such shares. A transferee of such shares shall not be liable thereon if he acquired them in good faith without knowledge or notice that they were watered shares or shares not fully paid as agreed or if he acquired them from a transferor similarly free from liability. The burden of proof that the transferee did not so acquire the shares shall be upon the adverse party. No prior holder of such shares can improve his position by taking from a later holder who is free from liability."

Sec. 29. G.S. 55-56(c) is hereby amended by deleting from the second line thereof the words "with respect to" and inserting in lieu thereof the words "to acquire".

Sec. 30. G.S. 55-56(c)(1) is amended and rewritten to read as follows:

(1) Shares issued within one year or to be issued pursuant to subscriptions accepted within one year, after the filing of the articles of incorporation, or"

Sec. 31. G.S. 55-56(c) is amended by adding at the end thereof a new subdivision (7) to read as follows:

"(7) Shares with respect to which the notice required by subsection (g) of this Section has been given but which have not been purchased or subscribed within the prescribed time and which are thereafter sold or optioned to any other person or persons at a price no lower than and upon the other terms and conditions stated in such notice."

Sec. 32. G.S. 55-56 is amended by adding at the end thereof a new subsection (g) to read as follows'

"(g) The holders of shares entitled to preemptive rights under the charter or under this Section shall be given written or printed notice briefly describing the shares with respect to which such rights exist and the period of time (not less than 15 days) within which and the terms and conditions, including the price, upon which such rights may be exercised. Such notice shall be delivered to each such holder, either personally or by mail, not less than 20 or more than 180 days prior to the expiration of the stated period within which such rights may be exercised. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the holder at his address as it appears on the record of shareholders of the corporation, with postage thereon prepaid."

Sec. 33. G.S. 55-63(c) is hereby amended and rewritten to read as follows:

"(c) Any action which, under any provision of this chapter, is required or permitted to be taken at a meeting of the shareholders, may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the secretary of the corporation as part of the corporate records, whether done before or after the action so taken. Such consent shall have the same force and effect as a unanimous vote of shareholders, and may be stated as such in any certificate or document filed with the Secretary of State under this chapter"

Sec. 34. G.S. 55-67(b) is amended and rewritten to read as follows:

"(b) Except as otherwise provided in this subsection, shares of its own stock owned by a corporation, directly or indirectly, through a subsidiary corporation or otherwise, shall not be voted and shall not be counted in determining the total number of shares entitled to vote.

"Notwithstanding any other provisions in this Chapter, shares of its own stock held by a corporation or by its subsidiary corporation in a fiduciary capacity shall not be voted in the election of directors and shall not be counted in determining the total number of shares entitled to vote in the election of directors if such corporation is the sole fiduciary, unless the instrument or court order establishing the fiduciary relationship provides that such shares may be voted as directed by some person other than the fiduciary and unless such person actually directs how such shares shall be voted; but if such corporation is not the sole fiduciary, then such shares may be voted in the election of directors by the other fiduciary or fiduciaries in accordance with the provisions of G.S. 55-69, and such shares shall be counted in determining

1 the total number of shares entitled to vote in the election of directors. In all other matters,
2 shares of its own stock held directly or indirectly by a corporation or through a subsidiary
3 thereof as sole fiduciary or as a co-fiduciary may be voted by the registered owner or owners,
4 unless the instrument creating the fiduciary relationship provides otherwise."

5 **Sec. 35.** G.S. 55-67(c) is amended and rewritten to read as follows:

6 "(c) Except where some inconsistent agreement exists for choosing directors, valid under
7 the provisions of G.S. 55-73, directors shall be elected by a plurality of the votes cast and at
8 each election for directors every shareholder entitled to vote at such election shall have the
9 right to vote, in person or by proxy, the number of shares standing of record in his name for as
10 many persons as there are directors to be elected and for whose election he has a right to vote,
11 or to cumulate his votes by giving one candidate as many votes as the number of such directors
12 multiplied by the number of his shares shall equal, or by distributing such votes on the same
13 principle among any number of such candidates. This right of cumulative voting shall not be
14 exercised unless some shareholder or proxy holder announces in open meeting, before the
15 voting for directors starts, his intention so to vote cumulatively; and if such announcement is
16 made, the chair shall declare that all shares entitled to vote have the right to vote cumulatively
17 and shall announce the number of shares present in person and by proxy, and shall thereupon
18 grant a recess of not less than one hour nor more than four hours, as he shall determine, or of
19 such other period of time as is unanimously then agreed upon. Stockholders in any corporation
20 now in existence under a charter which does not grant the right of cumulative voting may not
21 exercise this right of cumulative voting when at the time of the election the stock transfer book
22 of such corporation discloses, or it otherwise appears, that there is no stockholder who owns or
23 controls more than one fourth of the voting stock of such corporation. Shares represented at a
24 meeting by revocable proxy relating to that meeting or adjourned meetings thereof shall not be
25 deemed shares 'controlled' within the meaning of this subsection."

26 **Sec. 36.** G.S. 55-101(a)(12) is amended and rewritten to read as follows:

27 "(12) Authorize a new class of shares having prior or superior rights or preferences
28 or confer voting rights on holders of debt securities as permitted by the
29 provisions of G.S. 55 44.1, or"

30 **Sec. 37.** G.S. 55-106(b)(4) is hereby amended and rewritten to read as follows:

31 "(4) The manner and basis of converting the shares of each merging corporation
32 into shares or other securities or obligations of the surviving corporation, and
33 if any shares of any merging corporation are not to be converted solely into
34 shares or other securities or obligations of the surviving corporation, the
35 amount of cash or shares or other securities or obligations of any other
36 corporation which the holders of such shares are entitled to receive in
37 exchange for such shares or upon their conversion and the surrender of the
38 certificates evidencing such shares, which cash or shares or other securities
39 or obligations of any other corporation may be in addition to or in lieu of the
40 shares or securities or obligations of the surviving corporation; or, if any
41 merging corporation is the wholly-owned subsidiary of the surviving
42 corporation and no cash or shares or other securities or obligations will be
43 distributed or issued upon conversion or cancellation of the shares of any
44 such merging corporation, a statement to that effect."

45 **Sec. 38.** G.S. 55-107(b)(3) is amended and rewritten to read as follows:

46 "(3) The manner and basis of converting the shares of each corporation into
47 shares or other securities or obligations of the new corporation, and, if any
48 shares of any consolidating corporation are not to be converted solely into
49 shares or other securities or obligations of the surviving corporation, the
50 amount of cash or shares or other securities or obligations of any other
51 corporation which the holders of such shares are entitled to receive in

exchange for such shares or upon their conversion and the surrender of the certificates evidencing such shares, which cash or shares or other securities or obligations of any other corporation may be in addition to or in lieu of the shares or securities or obligations of the new corporation."

Sec. 39. G.S. 55-113 is hereby amended by adding a new subsection "(j)" at the end thereof to read as follows:

"(j) A shareholder may not exercise his rights under this Section as to less than all of the shares owned beneficially by him and with respect to which such rights exist. A nominee or fiduciary may not dissent on behalf of any beneficial owner as to less than all of the shares of such owner with respect to which the right of dissent exists."

Sec. 40. G.S. 55-137(c) is hereby amended and rewritten to read as follows:

"(c) The corporate name shall not be the same as, or deceptively similar to, the name of any domestic corporation, whether for profit or not for profit, or any foreign corporation, whether for profit or not for profit, authorized to transact business in this State, or a name the exclusive right to which is, at the time, reserved or registered in the manner prescribed in G.S. 55-12, except that the Secretary of State may in his discretion issue a certificate of authority to a foreign corporation which has a corporate name the same as or similar to that of some other domestic corporation or foreign corporation authorized to transact business in this State:

- (1) If the Secretary of State finds, upon proof by affidavit or otherwise, that such corporations are not engaged in the same or similar businesses and that the public is not likely to be confused or deceived, and if, upon requirement by the Secretary of State in his discretion, such foreign corporation agrees in its application for certificate of authority to add to its corporate name in this State words indicating the state or country under the laws of which it is incorporated; or
- (2) If the foreign corporation agrees in its application for certificate of authority to do business in this State only an assumed name that would be available for use in this State, in which event such corporation shall thereafter comply with all of the provisions of law, including the provisions of G.S. 66-68 through 66-71, relating to doing business under an assumed name and such assumed name shall be deemed to be the name of such foreign corporation in this State and shall be entitled to the same protection under this Chapter as if it were the name of such foreign corporation."

Sec. 41. G.S. 55-138(a)(2) is hereby amended and rewritten to read as follows:

- "(2) If the name of the corporation does not contain the word 'corporation,' 'incorporated,' 'limited,' or company', or does not contain an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it elects to add thereto for use in this State; or if the corporation agrees under G.S. 55-137(c) to add to its corporate name in this State words indicating its jurisdiction of incorporation or agrees to do business under an assumed name, then the name of the corporation with the words so added or the assumed name which name must contain the words or abbreviations required by this subdivision."

Sec. 42. G.S. 55-156(b) is amended and rewritten to read as follows:

"(b) For the purpose of computing taxes under this Section, shares of no par value shall be treated as if they were of one dollar (\$1.00) par value."

Sec. 43. G.S. 55-155(a)(1) is amended and rewritten to read as follows:

- "(1) for filing an application to reserve or register a corporate name and for filing an application to renew such a registration (G.S. 55-12(f) and (h)) \$5.00."

Sec. 44. G.S. 58-204 is hereby amended and rewritten to read as follows:

1 **"Sec. 58-204. Insurable interest as between stockholders, partners, etc.** Where two or more
2 persons have heretofore contracted or hereafter contract with one another for the purchase, at
3 the death of one, by the survivor or survivors, of the stock, share or interest of the deceased in
4 any corporation, partnership or business association of any kind, the person or persons making
5 the contract of purchase shall be deemed to have, and are hereby declared to have, an insurable
6 interest in the life or lives of the person or persons contracting to sell."

7 **Sec. 45.** The following sections of the General Statutes are hereby repealed: G.S.
8 55-49(h); G.S. 55-50(i); G.S. 55-52(c)(6); G.S. 55-155(a)(15); G.S. 55-155(a)(20); G.S. 66-70.

9 **Sec. 46.** All laws and clauses of laws in conflict with this Act are hereby repealed.

10 **Sec. 47.** This Act shall be effective from and after October 1, 1969, except for
11 Sections 20, 37 and 38, which shall become effective upon ratification of this Act.

12 In the General Assembly read three times and ratified, this the 11th day of June,
13 1969.