

TITLE 18
CRIMES AND PUNISHMENTS

CHAPTER 19
CORPORATIONS

18-1901. FICTITIOUS STOCK SUBSCRIPTION. Every person who signs the name of a fictitious person to any subscription for, or agreement to take, stock in any corporation existing or proposed, and every person who signs to any subscription or agreement the name of any person, knowing that such person has not the means or does not intend in good faith to comply with all the terms thereof, or under any understanding or agreement that the terms of such subscription or agreement are not to be complied with or enforced, is guilty of a misdemeanor.

[18-1901, added 1972, ch. 336, sec. 1, p. 880.]

18-1902. EXHIBITION OF FALSE PAPERS TO PUBLIC OFFICERS. Every officer, agent or clerk of any corporation, or of any persons proposing to organize a corporation, or to increase the capital stock of any corporation, who knowingly exhibits any false, forged or altered book, paper, voucher, security or other instrument of evidence to any public officer or board, with intent to deceive such officer or board in respect thereto, is guilty of a misdemeanor.

[18-1902, added 1972, ch. 336, sec. 1, p. 880.]

18-1903. USE OF FALSE NAME IN PROSPECTUS. Every person who, without being authorized so to do, subscribes the name of another to, or inserts the name of another in, any prospectus, circular or other advertisement or announcement of any corporation or joint stock association, existing or intended to be formed, within intent to permit the same to be published, and thereby to lead persons to believe that the person whose name is so subscribed is an officer, agent, member or promoter of such corporation or association, is guilty of a misdemeanor.

[18-1903, added 1972, ch. 336, sec. 1, p. 880.]

18-1904. ILLEGAL DIVIDENDS AND REDUCTIONS OF CAPITAL. Every director of any stock corporation who concurs in any vote or act of the directors of such corporation, or any of them, by which it is intended, either:

1. To make any dividend, except from the surplus profits arising from the business of the corporation, and in the cases and manner allowed by law; or,

2. To divide, withdraw or in any manner, except as provided by law, pay to the stockholders, or any of them, any part of the capital stock of the corporation; or,

3. To discount or receive any note or other evidence of debt in payment of any instalment actually called in and required to be paid, or with the intent to provide the means of making such payment; or,

4. To receive or discount any note or other evidence of debt, with the intent to enable any stockholder to withdraw any part of the money paid in by him or his stock; or,

5. To receive from any other stock corporation, in exchange for the shares, notes, bonds or other evidences of debt of their own corporation, shares of the capital stock of such other corporation, or notes, bonds or other evidences of debt issued by such other corporation;

Is guilty of a misdemeanor.

[18-1904, added 1972, ch. 336, sec. 1, p. 880.]

18-1905. FALSIFICATION OF CORPORATE BOOKS. Every director, officer or agent of any corporation or joint stock association who knowingly receives or possesses himself of any property of such corporation or association otherwise than in payment of a just demand, and who, with intent to defraud, omits to make, or to cause or direct to be made, a full and true entry thereof in the books or accounts of such corporation or association, and every director, officer, agent or member of any corporation or joint stock association who, with intent to defraud, destroys, alters, mutilates or falsifies any of the books, papers, writings or securities belonging to such corporation or association, or makes or concurs in making, any false entries, or omits or concurs in omitting to make any material entry in any book of accounts, or other record or document kept by such corporation or association, is punishable by imprisonment in the state prison not less than three (3) nor more than ten (10) years, or by imprisonment in a county jail not exceeding one (1) year or a fine not exceeding one thousand dollars (\$1,000), or by both such fine and imprisonment.

[18-1905, added 1972, ch. 336, sec. 1, p. 881; am. 2006, ch. 71, sec. 2, p. 217.]

18-1906. FRAUDULENT REPORTS BY OFFICERS. Every director, officer or agent of any corporation or joint stock association who knowingly concurs in making or publishing any written report, exhibit or statement of its affairs or pecuniary condition, containing any material statement which is false, is guilty of a misdemeanor.

[18-1906, added 1972, ch. 336, sec. 1, p. 881.]

18-1907. REFUSAL TO PERMIT STOCKHOLDER TO INSPECT RECORDS. Every officer or agent of any corporation having or keeping an office within this state who has in his custody or control any book, paper or document of such corporation and who refuses to give to a stockholder or member of such corporation, lawfully demanding, during office hours, to inspect or take a copy of the same, or any part thereof, a reasonable opportunity so to do, is guilty of a misdemeanor.

[18-1907, added 1972, ch. 336, sec. 1, p. 881.]

18-1908. DIRECTORS DEEMED TO HAVE KNOWLEDGE OF AFFAIRS. Every director of a corporation or joint stock association is deemed to possess such a knowledge of the affairs of his corporation as to enable him to determine whether any act, proceeding or omission of its directors is a violation of this chapter.

[18-1908, added 1972, ch. 336, sec. 1, p. 882.]

18-1909. DIRECTOR PRESENT AT MEETING -- ASSENT TO ILLEGAL ACTS. Every director of a corporation or a joint stock association who is present at a meeting of the directors at which any act, proceeding or omission of such directors in violation of this chapter occurs, is deemed to have concurred therein, unless he at the time causes, or in writing requires, his dissent therefrom to be entered in the minutes of the directors.

[18-1909, added 1972, ch. 336, sec. 1, p. 882.]

18-1910. DIRECTOR NOT PRESENT AT MEETING -- ASSENT TO ILLEGAL ACTS. Every director of a corporation or joint stock association, although not present at a meeting of the directors at which any act, proceeding or omission of such directors in violation of this chapter occurs, is deemed to have concurred therein, if the facts constituting such violation appear on the records or minutes of the proceedings of the board of directors, and he remains a director of the same company for six months thereafter, and does not within that time cause, or in writing require, his dissent from such illegality to be entered in the minutes of the directors.

[18-1910, added 1972, ch. 336, sec. 1, p. 882.]

18-1911. FOREIGN CORPORATIONS SUBJECT TO CHAPTER. It is no defense to a prosecution for a violation of the provisions of this chapter that the corporation was one created by the laws of another state, territory, government or country, if it was one carrying on business or keeping an office therefor within this state.

[18-1911, added 1972, ch. 336, sec. 1, p. 882.]

18-1912. DIRECTOR DEFINED. The term "director" as used in this chapter embraces any of the persons having by law the direction or management of the affairs of a corporation, by whatever name such persons are described in its charter or known by law.

[18-1912, added 1972, ch. 336, sec. 1, p. 882.]