

A corporation, being a creature of the statutes of the state, is subject only to legislative act of the state in which such corporation is created. To incorporate within a state, certain requirements are mandatory, such as the articles of incorporation, setting out specifically, among other things, the name of the county and the city, town or place within the county, in which its principal office or principal place of business is to be located **in this state.** (Section 5905, R. C. M., 1935.) The purpose of this requirement in the articles of incorporation is to establish the domicile or residence of the corporation and such domicile or residence is the legal jurisdiction of its origin, irrespective of the residence of its officers or places where its business may be transacted. The corporation cannot migrate from one sovereignty to another.

Stephens v. Phoenix Insurance Company, 41 N. Y. 154.

A corporation can have no legal existence out of the sovereignty by which it is created, as it exists only in contemplation of law and by force of the law and when the law ceases to operate the corporation can have no existence. It must dwell in the place of its creation but if its articles so provide it may do business in other states.

George Runyan v. The Lessee of John G. Coster, et al., 39 U. S. (14 Pet.) 122, 10 L. Ed. 382.

While a corporation must adopt a code of by-laws for its government, such code of by-laws cannot and must not be inconsistent with the Constitution and the laws of the state. (Section 5930, R. C. M., 1935.)

The State of Montana, in Section 5943, has specifically provided:

"The meetings of the stockholders of a corporation **must** be held at its office or principal place of business in the state of Montana * * *."

The only exceptions to this provision have reference to corporations organized in conformity with the requirements of the laws of the United States, and are specifically set out in the said section. The general rule of law interpreting a section of this kind is found in 14 C. J., Sec. 1355, p. 886:

Opinion No. 68.

Corporations—Stockholders, Meetings of Outside State.

HELD: 1. Corporations organized under the laws of Montana may not hold stockholders' meetings outside the state.

2. Chapter 32, Laws, 1937, does not amend or repeal Section 5943, R. C. M., 1935.

May 18, 1939.

Hon. Sam W. Mitchell
Secretary of State
The Capitol

Dear Mr. Mitchell:

Your question submitted is, in short, as follows:

Does Chapter 32 of the Laws of 1937, repeal Section 5943, R. C. M., 1935, or so amend the said section that stockholders' meetings of corporations may be held without the state of Montana?

“A corporation organized under the laws of one state cannot perform strictly corporate acts at a stockholders’ meeting held in another state.”

The reason for the rule is that the law (by virtue of which the corporation exists) is inoperative beyond the bounds of the legislative power by which it was enacted, the territorial jurisdiction of the state being the boundaries of the state.

Runyan v. Coster, *supra*, Note p. 382.

Chapter 32 of the Laws of 1937 does not amend or repeal, in fact has no effect upon Section 5943 but pertains only to the method of amending the charter providing procedure and amending the feature of our laws pertaining to the necessary consent of stockholders to effect such amendment. It makes no provision that any stockholders’ meetings may be held without the State of Montana, and in view of the general provision (Section 5943), it is my opinion that despite Chapter 32, Laws of 1937, the stockholders’ meetings, whether they be regular or special meetings, must be held within the state.