

February 9, 1951.
Passed on File.

House File 384
By JUDICIARY 1.

Passed House, Date
Vote: Ayes..... Nays.....
Passed Senate, Date.....
Vote: Ayes..... Nays.....
Approved

A BILL FOR

An Act to amend chapter four hundred ninety two (492), Code 1950, by inserting therein a new section relating to voting trusts of capital stock.

Be It Enacted by the General Assembly of the State of Iowa:

1 Section 1. Chapter four hundred ninety two (492), Code
2 1950, is amended by inserting therein the following new section:
3 "One or more stockholders may by agreement in writing deposit
4 capital stock of an original issue with, or transfer capital
5 stock to, any person or persons, or corporation or corporations
6 authorized to act as trustee, for the purpose of vesting in
7 said person or persons, corporation or corporations, who may
8 be designated voting trustee or voting trustees, the right to
9 vote thereon either in person or by proxy for any period of
10 time determined by such agreement, not exceeding ten years,
11 upon the terms and conditions stated in such agreement. Such
12 agreement may contain any other lawful provisions not inconsistent
13 with said purpose. A copy of such agreement shall be filed in
14 the principal office of the corporation in the State of Iowa
15 and such copy shall be open to the inspection of any stockholder
16 of the corporation or any beneficiary of the trust under said

17 agreement daily during business hours.

18 At any time within one year prior to the time of expiration
19 of any such voting trust agreement as originally fixed or as
20 extended as herein provided, one or more beneficiaries of the
21 trust under such voting trust agreement may, by agreement in
22 writing and with the written consent of such Voting Trustees,
23 extend the duration of such voting trust agreement for an
24 additional period not exceeding ten years. Said Voting
25 Trustees shall, prior to the time of expiration of any such
26 voting trust agreement, as originally fixed or as previously
27 extended, as the case may be, file in the principal office of
28 the corporation in the State of Iowa a copy of such extension
29 agreement and of their consent thereto, and thereupon the duration
30 of such voting trust agreement shall be extended for the period
31 fixed in such extension agreement; provided, however, that no
32 such extension agreement shall affect the rights or obligations
33 of persons not parties thereto.”.

EXPLANATION OF H. F. 384

The purpose of this bill is to provide a more adequate and representative control of corporations by the stockholders thereof. Small stockholders will be enabled to use their votes cumulatively and thus have a more democratic and representative control in corporate management.