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COMPILATION OF
U.S. VIRGIN ISLANDS GENERAL CORPORATION LAW
AND FRANCHISE TAX LAW

- I. GENERAL CORPORATION LAW
- II. CORPORATION FRANCHISE TAX LAW

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U.S. VIRGIN ISLANDS GENERAL CORPORATION LAW

**VIRGIN ISLANDS CODE
TITLE 13. CORPORATIONS AND ASSOCIATIONS
CHAPTER 1. GENERAL CORPORATION LAW**

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Subchapter 1. Organization

§ 1. Incorporators; purposes

Three or more natural persons of lawful age may unite together by articles of incorporation to form a stock corporation, for any lawful business purpose or purposes not excluded from the operation of this chapter.

§ 2. Articles of incorporation; contents; definition

- (a) The articles of incorporation shall set forth -
- (1) the name of the corporation, which shall not be the same as, nor so similar as to cause confusion with, the name of any other domestic corporation or foreign corporation admitted to do business in the United States Virgin Islands, and which shall be such as to indicate that it is a corporation as distinguished from a natural person or partnership;
 - (2) the purpose or purposes for which the corporation is formed;
 - (3) if the corporation is to be authorized to issue only one class of stock, the total number of shares of stock which the corporation shall have authority to issue and (A) the par value of each of such shares, or (B) a statement that all such shares are to be without par value; or, if the corporation is to be authorized to issue more than one class of stock, the total number of shares of all classes of stock which the corporation shall have authority to issue and (A) the number of the shares of each class thereof that are to have a par value and the par value of each share of each such class, and/or (B) the number of such shares that are to be without par value, and (C) a statement of

all or any of the designations and the powers, preferences and rights, and the qualifications, limitations or restrictions thereof, which are permitted by the provisions of section 91 of this title in respect of any class or classes of stock of the corporation and the fixing of which by the articles of incorporation is desired, and an express grant of such authority as it may then be desired to grant to the board of directors to fix by resolution or resolutions any thereof that may be desired but which shall not be fixed by the articles;

(4) the minimum amount of capital with which the corporation will commence business, which shall not be less than \$1,000;

(5) the name of, and street address in, the town in which its principal office or place of business is to be located in the Virgin Islands, and the name of its resident agent, which agent may be either an individual or a corporation;

(6) the period for which the corporation shall exist, if its life is limited;

(7) the number of directors, which shall not be less than three, or a statement that the bylaws shall set the number of directors, which shall not be less than three; and

(8) the names and places of residence of the persons forming the corporation.

(b) In addition to the matter required to be set forth by subsection (a) of this section, the articles of incorporation may also contain -

(1) any provision, not inconsistent with this chapter, regulating the business and conduct of the affairs of the corporation and limiting its powers, and the power of its directors and stockholders, not exempting them, however, from any obligation nor from the performance of any duty, imposed by law;

(2) such provisions as may be desired limiting or denying to the stockholders the preemptive right to subscribe to any or all additional issues of stock of the corporation of any or all classes;

(3) provisions requiring for any corporate action the vote of a larger proportion of the stock of any class thereof than is required by this chapter; and

(4) such provisions as may be desired eliminating or limiting the personal liability of directors to the corporation or its shareholders for damages for any breach of duty in such capacity, provided that no such provision shall eliminate or limit:

(A) the liability of any director if a judgment or other final adjudication adverse to him establishes that his acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law or that he personally gained in fact a financial profit or other advantage to which he was not legally entitled, or

(B) the liability of any director for any act or omission prior to the adoption of a provision authorized by this paragraph.

(c) As used in this chapter, unless the context otherwise requires, "articles of incorporation" includes all certificates filed pursuant to sections 3, 52, 53, 54, 55, 97, 103 and 221-223

of this title and any agreement of consolidation or merger filed pursuant to sections 251 and 252 of this title. -

§ 3. Execution and filing of articles of incorporation

(a) The articles of incorporation shall be made in duplicate originals, each signed by each of the incorporators and acknowledged by at least three of them before any officer authorized to take the acknowledgment of deeds.

(b) One such original shall be filed in the St. Thomas or St. Croix office of the Lieutenant Governor, and the second shall be retained in the possession of the corporation.

(c) The original filed in the Office of the Lieutenant Governor, and all papers subsequently filed with respect to such corporation, shall be entered and indexed, by the officer with whom filed, in a book to be kept by him for that purpose.

§ 4. Composite articles of incorporation

The Lieutenant Governor shall prepare and furnish upon request therefor a certified composite of the articles of incorporation which shall contain only such provisions as are in effect at the time of request by reason of the certificates and agreements referred to in subsection (c) of section 2 of this title. The Lieutenant Governor shall make in each case such reasonable charge therefor as he deems proper.

§ 5. Evidence of existence

A copy of the articles of incorporation or a composite of the articles of incorporation, certified by the Lieutenant Governor under his hand and seal of office, stating that the articles have been filed, shall be evidence in all courts and in any administrative proceeding in the United States Virgin Islands.

§ 6. Commencement of corporate existence

Upon the filing of the articles of incorporation and the payment of the fee, all as provided for in this chapter, the persons who have duly executed the articles, and their successors, shall, from the date of such filing, be a body corporate and politic in fact and in law in the name stated in the articles of incorporation, and by such corporate name shall have succession for the time stated in such articles.

§ 7. Powers of incorporators; management prior to election of directors

Until the directors are elected, the signers of the articles of incorporation shall direct the affairs and the organization of the corporation, and may take such steps as are proper to obtain

the necessary subscriptions to stock and to perfect the organization of the corporation, including the election of officers.

§ 8. First meeting

(a) The first meeting of every corporation may be called by any of the persons signing the articles of incorporation upon not less than thirty days prior notice to each of the incorporators. Such notice shall designate the time and place of the meeting, which may be within or without the United States Virgin Islands, and shall state the purpose for which the meeting is called. The notice shall be delivered, personally or by depositing postpaid in the mail properly addressed, to each incorporator.

(b) If all the incorporators sign a written waiver of notice and fix a time and place of meeting, then no notice as required by subsection (a) of this section shall be required.

(c) The first meeting shall be held within one year of the filing of the articles of incorporation or the corporation shall ipso facto be dissolved.

§ 9. Bylaws

The original bylaws of a corporation may be adopted by the incorporators. Thereafter, the stockholders of any corporation formed under this chapter shall have the power to make, alter or repeal bylaws for the management of the affairs of the corporation, not inconsistent with the provisions of this chapter, or of other existing laws. The articles of incorporation may, however, vest in the board of directors the authority to make and to adopt bylaws, subject to the right of a majority of the stockholders to amend, repeal, alter, or modify such bylaws at any regular meeting, or at any special meeting called for such purpose.

Subchapter 2. Powers

§ 31. General powers

In addition to the powers enumerated in section 32 of this title, every corporation, its officers, directors, and stockholders, shall possess and exercise all the powers and privileges conferred by this chapter, and the powers expressly given in its articles so far as the same are necessary or convenient to the attainment of the objects set forth in such articles. Every corporation shall be governed by the provisions and be subject to the restrictions and liabilities contained in this chapter, so far as the same are appropriate to and not inconsistent with its charter or the act under which the corporation was formed. No corporation shall possess or exercise any other corporate powers, except such incidental powers as are necessary to the exercise of the power so given.

§ 32. Specific powers

Every corporation created under the provisions of this chapter shall have power to -

(1) have succession, by its corporate name, for the time stated in its articles of incorporation, and when no period is stated, it shall be perpetual;

(2) sue and be sued by its corporate name the same as a natural person in any court having jurisdiction;

(3) have a corporate seal, which may be altered at pleasure, and to use the same by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise;

(4) hold, purchase, convey, sell and mortgage real and personal property subject to such limitations as shall be prescribed by law; including, with respect to the power to hold real and personal property, the power to take the same by devise or bequest;

(5) appoint such officers, agents and servants as the business of the corporation requires and to define their powers, prescribe their duties and fix their compensation;

(6) make bylaws not inconsistent with the laws of the United States Virgin Islands, fixing and altering the number of its directors for the management of its property, the regulation and government of its affairs and for the certification and transfer of its stock with penalties for the breach thereof of not more than \$20;

(7) wind up and dissolve itself, or to be wound up and dissolved in the manner provided for in this chapter;

(8) conduct business within and without the United States Virgin Islands, and have one or more offices without the United States Virgin Islands, and hold, purchase, mortgage and convey real and personal property both within and without the United States Virgin Islands;

(9) make donations for the public welfare or for charitable, scientific or educational purposes, but only out of surplus; and

(10) indemnify any and all of its directors or officers or former directors or officers or any person who may have served at its request as a director or officer of another corporation of which it owns shares of capital stock or of which it is a creditor against expenses actually and necessarily incurred by them in connection with the defense of any action, suit or proceeding in which they, or any of them, are made parties, or a party, by reason of being or having been directors or officers or a director or officer of the corporation, or of such other corporation, except in relation to matters described in subparagraph (4)(A) or (B) of section 2(b) of this title or as to which any such director or officer or former director or officer or former director or officer or person shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty. Such indemnification shall not be deemed exclusive of any other rights to which those indemnified may be entitled, under any bylaw, agreement, vote of stockholders, or otherwise.

§ 33. Powers with respect to securities of other corporations

Any corporation organized under the laws of the United States Virgin Islands may, when the directors deem it reasonably necessary or convenient in connection with the conduct of the corporation's business, guarantee, purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of, the shares of the capital stock of, or any bonds, securities or evidence of indebtedness created by, any other corporation of the United States Virgin Islands or any state, country, nation or government, and while owner of such stock may exercise all the rights, powers and privileges of ownership including the right to vote thereon.

§ 34. Banking powers reserved

(a) No corporation created under the provisions of this chapter shall, by any implication or construction, be deemed to possess the power of issuing bills, notes, or other evidences of debt for circulation as money, or the power of carrying on the business of receiving deposits of money, or the business of buying gold and silver bullion or foreign coins.

(b) Corporations created or to be created under the provisions of this chapter, or created under the provisions of any prior general corporation law of the United States Virgin Islands to buy, sell and otherwise deal in notes, open accounts and other similar evidences of debt as collateral security therefor, shall not be construed as engaging in the business of banking.

Subchapter 3. Principal Office and Resident Agent

§ 51. Principal office and resident agent in Virgin Islands

Every corporation shall maintain a principal office or place of business in the United States Virgin Islands and shall have a resident agent in charge thereof, who may be an officer of the corporation, or an individual resident in, or a corporation located in the United States Virgin Islands on whom service of legal process against the corporation can be made.

§ 52. Change of location of principal office; change of resident agent

The board of directors of any corporation organized under the laws of the United States Virgin Islands may change the location of the principal office or place of business of the corporation within the United States Virgin Islands to any other place within the United States Virgin Islands by resolution adopted at a regular or special meeting of the board. By like resolution, the resident agent of a corporation may be changed to any other individual or corporation. In either such case, the resolution shall be as detailed in its statement as is provided in subsection (a) (5) of section 2 of this title. Upon the filing

of two copies of such resolution in the office of the Lieutenant Governor, each signed by the president or vice-president and the secretary or an assistant secretary of the corporation and sealed with its corporate seal, the Lieutenant Governor shall certify one copy under his hand and seal of office and the certified copy shall be filed in the office of the clerk of the district court in the judicial division in which the articles of incorporation are filed. If the resolution changes the location of the principal office or place of business from one judicial division to the other judicial division, the clerk of the district court shall transfer to, file and index in his office in such other division all certificates and other papers relating to such corporation theretofore on file with him. For filing the certificate, the Lieutenant Governor shall charge the fee prescribed in section 431(a)(10) of this title.

§ 53. Change of address of resident agent

The location of the office of any resident agent of corporations in any town of the United States Virgin Islands may be transferred from one address to another in the same town, or in another town in the United States Virgin Islands, upon the making and executing by such resident agent of a certificate, duly acknowledged before an officer authorized to authenticate signatures, setting forth the names of all corporations represented by such agent, and the address at which such resident agent has maintained the principal office or place of business for each of such corporations, and further certifying to the new address to which such resident agency will be transferred on a given day, and at which new address such resident agent will thereafter maintain the principal office or place of business for each of the corporations recited in the certificate. Upon the filing of such certificate, in duplicate, with the Lieutenant Governor, the Lieutenant Governor shall certify one copy under his hand and seal of office, and the certified copy shall be filed in the office of the clerk of the district court in the judicial division in which the corporation maintains its principal office in the United States Virgin Islands, and thereafter or until further change of address, as authorized by law, the principal office in the United States Virgin Islands of each of the corporations recited in the certificate shall be located at the new address of the resident agent thereof as given in the certificate. The fees to be charged by the Lieutenant Governor for the filing of the certificate shall be those prescribed in section 431(a)(11) of this title.

§ 54. Resignation of resident agent coupled with appointment of a successor

The resident agent of one or more corporations, organized and operating under the laws of the United States Virgin Islands, may make and file with the Lieutenant Governor, his or its

certificate, in duplicate, resigning the office of resident agent and appointing another individual or corporation as resident agent in his or its stead, and stating further the address of the substituted agent in accordance with the requirements of subsection (a)(5) of section 2 of this title. There shall be attached to each such certificate statements ratifying and approving such change of resident agent. Each such statement shall be executed in duplicate, shall be signed by the president or vice-president of each corporation for which such agent was appointed and sealed with the corporate seal thereof, and shall be duly acknowledged before an officer authorized to authenticate signatures. Upon the filing of such duplicate certificates and accompanying statements in the office of the Lieutenant Governor the substituted agent shall thereupon become the resident agent of such corporations as have ratified and approved such substitution as aforesaid; and the Lieutenant Governor shall then issue his certificate that the substituted resident agent has become the resident agent of the corporations so ratifying and approving such change of resident agent, and setting out the names of such corporations. The certificate of the Lieutenant Governor shall be filed in the office of the clerk of the district court in the judicial division in which the articles of incorporation are filed, and the clerk shall forthwith make a note of the change of resident agent in the index of the articles of incorporation of those corporations which have ratified and approved such change. For filing such certificates of change of resident agent the Lieutenant Governor shall charge the fees prescribed in section 431(a)(12) of this title.

§ 55. Resignation of resident agent not coupled with appointment of successor

(a) The resident agent of one or more corporations, organized and existing under the laws of the United States Virgin Islands, may make and file with the Lieutenant Governor his or its written resignation, in duplicate, of the office of resident agent without appointing any individual or corporation as resident agent in his or its stead; but such resignation shall not become effective until 30 days after the certificate is filed. There shall be attached to each copy of such written resignation, an affidavit of such resident agent, if an individual, or of the president or secretary thereof, if a corporation, that at least 30 days prior to the date of the filing of such resignation, due notice was sent by registered mail to the corporation for which such resident agent was acting, at the principal office thereof outside the United States Virgin Islands, if known to such resident agent, or, if not, to the last known address of the attorney or other individual at whose request such resident agent was appointed for such corporation, of the resignation of such resident agent.

(b) For the filing of such written resignation the Lieutenant Governor shall charge the fee prescribed in section 431(a)(13) of this title, and upon the filing of such resignation with the Lieutenant Governor, the Lieutenant Governor shall

notify the clerk of the district court of the resignation of its resident agent as set forth in such written resignation and the clerk of the district court shall forthwith make a note of the resignation of such resident agent in the index of the articles of incorporation of such corporation.

(c) After receipt of the notice of the resignation of its resident agent, provided for in subsection (a) of this section, the corporation for which such resident agent was acting shall obtain and designate a new resident agent to take the place of the resident agent so resigning in the same manner as is provided in section 52 of this title for change of resident agent, and if such corporation fails to obtain and designate a new resident agent as aforesaid, prior to the expiration of the period of 30 days after the filing by the resident agent of the written resignation, such facts shall be duly certified by the Lieutenant Governor to the United States attorney for the Virgin Islands, and the United States attorney shall forthwith commence an action to avoid such corporation's charter in the district court and such court, upon competent proof of the state of facts and upon appropriate steps taken in such action, shall decree the charter of such corporation forfeited.

Subchapter 4. Directors and Officers

§ 61. Board of directors; management

The business of every corporation organized under this chapter shall be managed by a board of directors, except as hereinafter or in its articles of incorporation otherwise provided.

§ 62. Number of directors

(a) The number of directors that constitutes the whole board is the number fixed from time to time by, or in the manner provided in, the articles of incorporation or, pursuant to authority given in the articles of incorporation, in the bylaws, but except as provided in subsection (b), the number of directors may not be less than three.

(b) In the case of a corporation that has fewer than three shareholders, the number of directors may be equal to the number of shareholders.

§ 63. Term of office; quorum

The directors shall hold office until their successors are respectively elected and qualified, and a majority of them shall constitute a quorum for the transaction of business, unless the bylaws shall provide that a different number shall constitute a quorum, which in no case shall be less than one-third of the total number of directors nor less than two directors.

§ 64. Filling vacancies

Whenever any vacancies shall happen among the directors by death, resignation or otherwise, except by removal and the election of a successor, they shall be filled by appointment by a majority of the remaining members of the board of directors, though less than a quorum, for the unexpired term of such vacancies.

§ 65. Committees; designation; composition; powers

The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of two or more of the directors of the corporation, which to the extent provided in the resolution or in the bylaws of the corporation, shall have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be stated in the bylaws of the corporation or as may be determined from time to time by resolution adopted by the board of directors.

§ 66. Classes of directors

The directors of any corporation organized under this chapter may, by the articles of incorporation or any amendment thereto, or by a vote of the stockholders, be divided into two or three classes: the term of office of those of the first class to expire at the annual meeting next ensuing; of the second class one year thereafter; of the third class two years thereafter, and at each annual election held after such classification and election, directors shall be chosen for a full term, as the case may be, to succeed those whose terms expire.

§ 67. Effect of reliance upon books of account, etc.

A director of any corporation organized under the provisions of this chapter, or a member of any committee designated by the board of directors pursuant to authority conferred by section 65 of this title, shall, in the performance of his duties, be fully protected in relying in good faith upon the books of account or reports made to the corporation by any of its officials, or by an independent certified public accountant, or by an appraiser selected with reasonable care by the board of directors or by any such committee, or in relying in good faith upon other records of the corporation.

§ 67a. Indemnification of officers, directors, employees and agents; insurance

(a) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding,

whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if:

(1) he acted:

(A) in good faith; and

(B) in a manner he reasonably believed to be in or not opposed to the best interests of the corporation; and

(2) with respect to any criminal action or proceeding, he had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted:

(1) in good faith; and

(2) in a manner he reasonably believed to be in or not opposed to the best interests of the corporation.

However, no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

(c) To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of this section, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under subsections (a) and (b) (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he had met the applicable standard of conduct set forth in subsections (a) and (b). Such determination shall be made:

(1) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding;

(2) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; or

(3) by the stockholders.

(e) Expenses incurred in defeating a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amounts unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this section.

(f) The indemnification provided by this section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his heirs, executors and administrators of such person.

(g) A corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this section.

(h) For purposes of this section, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this section with respect to the resulting or surviving corporation as he

would have with respect to such constituent corporation if its separate existence had continued.

§ 67b. Consent of directors in lieu of meeting

Except as provided in Title 13, section 779(a) of this Code, unless otherwise restricted by the articles of incorporation or bylaws, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board, or committee.

§ 68. Place of board meetings

If authorized by the articles of incorporation or the bylaws, meetings of the board of directors may be held outside the United States Virgin Islands.

§ 69. Officers; selection, term, duties

(a) Every corporation organized under this chapter shall have a president, secretary and treasurer, who shall be chosen by the directors. The president shall be chosen from among the directors. The secretary shall record all the proceedings of the meetings of the corporation and directors in a book to be kept for that purpose, and perform such other duties that shall be assigned to him. The treasurer may be required to give bond in such sum and with such surety or sureties as shall be provided by the bylaws for the faithful discharge of his duty.

(b) The corporation may have such other officers and agents as are appropriate, who shall be chosen in such manner and hold their offices for such terms as are prescribed by the bylaws, or determined by the board of directors or other governing body, and may secure the fidelity of any or all of such officers by bond or otherwise.

(c) Any two offices (but not more than two), other than the offices of president and secretary, may be held by the same person.

(d) A failure to elect annually a president, secretary, treasurer or other officers shall not dissolve a corporation.

§ 70. Filling vacancies

Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise, shall be filled in the manner provided for in the bylaws. In the absence of such provision, the vacancy shall be filled by the board of directors or other governing body.

§ 71. Loans to officers and directors; liability of officers

No loans shall be made by a corporation to its officers or directors and no loans shall be made by a corporation secured by its shares, and if any such loan be made, the officer or officers who make it or assent thereto shall be jointly and severally liable until the repayment of the sum so loaned with interest. The provisions of this section shall not apply to corporations organized exclusively as savings and loan associations.

§ 72. Liability for false statements as to condition of business

If the directors or officers of any corporation organized under this chapter, shall knowingly cause to be published or give out any written statement or report of the condition or business of the corporation that is false in any material respect, the officers and directors causing such report or statement to be published, or given out, or assenting thereto, shall be jointly and severally liable for any loss or damage resulting therefrom.

§ 73. Duty to maintain business and stock records

Every corporation formed under this chapter shall maintain -

(1) correct books of account of its business transactions;
and

(2) a stock ledger in the form prescribed in section 189 of this title, which ledger shall be kept in the principal office of the corporation in the United States Virgin Islands and which shall be open daily to any stockholder for inspection at reasonable times.

§ 74. Liability for watered stocks and bonds and loans to stockholders

If any stock or bonds of any corporation be fraudulently issued for property at more than the cash value, or if a reduction of capital be made in the guise of a loan to stockholders, the directors of the corporation shall be jointly and severally liable to the creditors of the corporation for any loss or damage arising therefrom.

Subchapter 5. Stock and Dividends

§ 91. Classes and series of stock; rights, etc.

Every corporation may issue one or more classes of stock or one or more series of stock within any class thereof, any or all of which classes may be of stock with par value or stock without par value, with such voting powers, full or limited, or without voting powers and in such series and with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the articles of incorporation or of any amendment thereto, or in the resolution or resolutions providing for the issue of such stock adopted by

the board of directors pursuant to authority expressly vested in it by the provisions of the articles of incorporation or of any amendment thereto, which resolution or resolutions shall be preceded by a determination by the directors, and include a statement that the directors have determined, that the preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof stated and expressed therein are under the circumstances prevailing at the time of adopting such resolution or resolutions fair and equitable to all the existing stockholders. The power to increase or decrease or otherwise adjust the capital stock as provided in this chapter shall apply to all or any such classes of stock.

§ 92. Redeemable stock

Any preferred or special stock may be made subject to redemption at such time or times and at such price or prices and may be issued in such series, with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof as shall be stated and expressed in the articles of incorporation, or any amendment thereto, or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors as provided in section 91 of this title.

§ 93. Dividend rights of preferred and special stockholders

The holders of preferred or special stock of any class or of any series thereof shall be entitled to receive dividends at such rates, on such conditions and at such times as shall be stated and expressed in the articles of incorporation, or in any amendment thereto, or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors as provided in section 91 of this title, payable in preference to, or in such relation to, the dividends payable on any other class or classes of stock, and cumulative or non-cumulative as shall be so stated and expressed. When dividends upon the preferred and special stocks, if any, to the extent of the preference to which such stocks are entitled, shall have been paid or declared and set apart for payment, a dividend on the remaining class or classes of stock may then be paid out of the remaining assets of the corporation available for dividends as elsewhere in this chapter provided.

§ 94. Rights on dissolution of preferred and special stockholders

The holders of the preferred or special stock of any class or of any series thereof shall be entitled to such rights upon the dissolution of, or upon any distribution of the assets of, the corporation as shall be stated and expressed in the articles of incorporation, or any amendment thereto, or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors as provided in section 91 of this title.

§ 95. Convertible stock

Any preferred or special stock of any class or of any series thereof may be made convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock of the corporation at such price or prices or at such rates of exchange and with such adjustments as shall be stated and expressed or provided for in the articles of incorporation, or in any amendment thereto, or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors as provided in section 91 of this title.

§ 96. Statement of special rights, restrictions, etc., on stock certificate

If any corporation shall be authorized to issue more than one class of stock or more than one series of any class, the designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate or certificates which the corporation shall issue to represent such class or series of stock.

§ 97. Issuance of shares with rights, restrictions, etc., not set forth in the articles of incorporation

Before any corporation shall issue any shares of stock of any class or of any series of any class of which the voting powers, designations, preferences and relative, participating, optional or other rights, if any, or the qualifications, limitations or restrictions thereof, if any, shall not have been set forth in the articles of incorporation or in any amendment thereto but shall be provided for in a resolution or resolutions adopted by the board of directors pursuant to authority expressly vested in it by the provisions of the articles of incorporation or an amendment thereto, a certificate setting forth a copy of such resolution or resolutions and the number of shares of stock of such class or series shall be made under the seal of the corporation and signed by the president or a vice-president and by the secretary or an assistant secretary of the corporation and acknowledged by such president or vice-president before an officer authorized by the laws of the United States Virgin Islands to take acknowledgments and shall be filed and indexed in the same manner as articles of incorporation are required to be filed and indexed by the provisions of section 3 of this title. Unless otherwise provided in any such resolution or resolutions, the number of shares of stock of any such class or series so set forth in such resolution or resolutions may be increased or decreased (but not below the number of shares thereof then outstanding) by a certificate likewise made, signed, filed and indexed setting forth a statement that a specified increase or

decrease therein had been authorized and directed by a resolution or resolutions likewise adopted by the board of directors. In case the number of such shares shall be so decreased, the number of shares so specified in the certificate shall resume the status which they had prior to the adoption of the first resolution or resolutions.

§ 98. Issuance of stock; payment

Subject to such additional limitations as may be provided in the articles of incorporation subscriptions to, or the purchase price of, the capital stock of any corporation organized under this chapter may be paid for, wholly or partly, by cash, by services actually rendered, or by property; and the stock so issued shall be declared and taken to be fully paid stock and not liable to any further call, nor shall the holder thereof be liable for any further payments under the provisions of this chapter. In the absence of actual fraud in the transaction, the judgment of the directors, as to the value of such services actually rendered or of such property, shall be conclusive.

§ 99. No par stock; issuance; price

(a) Shares of capital stock without par value, whether common or preferred or special, may be issued by the corporation from time to time for such purchase price as fixed from time to time by the board of directors thereof, unless in the articles of incorporation the power to fix such purchase price shall have been reserved to the stockholders, in which event such power shall be exercised by the stockholders by consent in writing or by vote of the holders of record of two-thirds of the total number of shares of each class of stock then outstanding and entitled to vote in respect thereto, said vote being given at a meeting called for the purpose in such manner as shall be prescribed by the bylaws. If any shares of stock of the corporation without par value shall have been subscribed or issued any resolution of the directors or of the stockholders fixing the purchase price for issue of shares of stock without par value shall be preceded by a determination by the directors and shall include a statement that the directors or the stockholders as the case may be have determined that such purchase price under the circumstances prevailing at the time of adopting such resolution is fair and equitable to all the existing stockholders. Although such power has been reserved to the stockholders, the directors may nevertheless fix such purchase price for the first issue of stock, and such issue shall not exceed 10 percent of the whole amount of such stock authorized by the articles of incorporation.

(b) Any and all shares without par value so issued for which the purchase price so fixed has been paid or delivered shall be deemed fully paid stock and shall not be liable to any further call or assessments thereon, and the holders of such shares shall not be liable for any further payments in respect of such shares under the provision of this chapter.

§ 100. Determination of the amount of capital

The capital of any corporation having capital stock shall be an amount at least equal to the sum of the aggregate par value of all issued shares having par value, plus the aggregate amount of the purchase price received by the corporation for the issue of shares without par value, plus such amounts as, from time to time, by resolution of the board of directors, may be transferred thereto. The excess, if any, at any given time of the total net assets of the corporation over the amount so determined to be capital shall be surplus.

§ 101. Statements of amount of par value and of authorized or issued shares

In any case in which the law requires that the par value of the shares of the capital stock of a corporation be stated in any certificate or paper, it shall be stated in respect of any shares without par value that such shares are without par value and wherever the amount of the authorized or issued capital stock of the corporation is required to be stated and the corporation shall have any shares without par value, it shall be sufficient to state the total number of shares authorized or issued, as the case may be, the number and par value of shares having a par value and the number of shares without par value.

§ 102. Partly paid shares

Any corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the purchase price to be paid therefor. Upon the face or back of the certificates issued to represent any such partly paid shares the total amount of the purchase price to be paid therefor and the amount paid thereon shall be specified. The corporation may declare and pay dividends upon any such shares upon the basis of the percentage of the purchase price actually paid thereon.

§ 103. Rights and options respecting stock

Subject to any provisions in respect thereof set forth in the articles of incorporation every corporation may create and issue, whether or not in connection with the issue and sale of any shares of stock or other securities of the corporation, rights or options entitling the holders thereof to purchase from the corporation any shares of its capital stock of any class or classes, such rights or options to be evidenced by or in such instrument or instruments as shall be approved by the board of directors. The terms upon which, the time or times, which may be not more than fifteen years in duration, at or within which, and the price or prices at which any such shares may be purchased from the corporation upon the exercise of any such rights or options shall be such as shall be fixed and stated in the articles of incorporation or in any amendment thereto, or in a resolution or resolutions adopted by the board of directors

providing for the creation and issue of such rights or options, and, in every case, set forth or incorporated by reference in the instrument or instruments evidencing such rights or options. Options to convert shares of stock of the corporation into its shares of another class or to convert bonds or notes of the corporation into shares of its stock may be unlimited in duration. No resolution of the directors providing for creation or issue of such rights or options under this section shall be valid unless a certified copy thereof shall be filed in the office of the Lieutenant Governor and in the office of the clerk of the district court in the judicial division in which the articles of incorporation are filed within fifteen days after the adoption thereof. Any such resolution shall be preceded by a determination by the directors and shall include a statement that the directors have determined that the terms of such rights or options under the circumstances prevailing at the time of adopting such resolution are fair and equitable to all the existing stockholders. In case the shares of stock of the corporation to be issued upon the exercise of such rights or option shall be shares having par value, the price or prices so to be received therefor shall not be less than the par value thereof. In case the shares of stock so to be issued shall be shares of stock without par value the price or prices therefor shall be determined in the manner provided in section 99 of this title for the fixing of the purchase price for the issue of such stock. No corporation shall create or issue rights or options under this section which shall entitle the holders thereof to purchase in the aggregate from the corporation shares of stock which upon issue thereof would constitute more than forty percent of the then authorized capital stock of the corporation.

§ 104. Stock certificates

Every holder of stock in a corporation shall be entitled to have a certificate or certificates, provided that the board of directors of the corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Notwithstanding the adoption of any such resolution, shares represented by a certificate shall not become uncertificated shares until such corporation by the president or a vice-president and the treasurer or an assistant treasurer, or the secretary or an assistant secretary of such corporation, representing the number of shares owned by him in such corporation. Subject to applicable provisions of the Uniform Commercial Code-Investment Securities, such entitlement shall apply equally to a holder of uncertificated shares, notwithstanding the adoption of a resolution by the board of directors providing for the issuance of uncertificated shares, who makes written request of the corporation. Where any such certificate is signed (1) by a transfer agent or an assistant transfer agent or (2) by a transfer clerk acting on behalf of such corporation and a registrar, the signature of any such president, vice-president, treasurer, assistant treasurer, secretary or assistant secretary

may be facsimile. In case any officers who have signed or whose facsimile signature or signatures have been used on any such certificate or certificates may nevertheless be adopted by such corporation and be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of such corporation.

§ 105. [Repealed.]

§ 106. Corporation's powers respecting ownership, etc., of its own stock

Every corporation organized under this chapter may purchase, hold, sell and transfer shares of its own capital stock; but no such corporation shall use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of the capital of the corporation. Shares of its own capital stock belonging to the corporation shall not be voted upon directly or indirectly. Nothing in this section shall be construed as limiting the exercise of the rights given by section 223 of this title.

§ 107. Liability of stockholder for stock not paid in full

(a) When the whole of the price payable for shares of a corporation has not been paid in, and the assets shall be insufficient to satisfy the claims of its creditors, each holder of such shares shall be bound to pay on each share held by him the sum necessary to complete the amount of the par value of such share as fixed by the articles of incorporation, or such proportion of that sum as shall be required to satisfy the debts of the corporation, or, in the case of stock without par value, this liability shall be limited to the unpaid balance of the price for which such shares were issued by the corporation.

(b) The amounts which shall be payable as provided in subsection (a) of this section may be recovered on behalf of creditors in an action to which the corporation is a party, for the benefit of all the creditors of the corporation brought by a receiver, trustee in bankruptcy, or other competent representative of all creditors.

(c) Anything in this chapter to the contrary notwithstanding, a holder of shares who has acquired such shares in good faith without knowledge that they were not paid in full or to the extent stated in the certificate for such shares shall not be liable either to the corporation or to its creditors for any amount beyond that shown by such certificate to be unpaid on the shares represented thereby. Any holder who derives his title through such a holder and who is not himself a party to any fraud affecting the issuance of such shares shall have all the rights of such former holder.

§ 108. Increase of and subscriptions to capital stock

At any time after a corporation is authorized to commence business, the directors may, if its whole capital stock has not been subscribed, and subject to any limitations provided in its articles of incorporation increase its capital stock up to the amount authorized in its articles of incorporation, and open books for or take additional subscriptions thereto.

§ 109. Limitation on preemptive rights

Unless otherwise provided in the articles of incorporation, shares or other securities offered for sale shall not be subject to preemptive rights if they -

(1) are issued or optioned by the board of directors to effect a merger or consolidation or for a value other than cash;

(2) are issued to satisfy conversion or option rights theretofore granted by the corporation;

(3) are shares or other securities theretofore reacquired by the corporation after having been duly issued;

(4) are part of the shares or other securities of the corporation authorized in its original articles of incorporation and are issued, sold or optioned within two years from the date of filing such articles; or

(5) are issued pursuant to a plan of reorganization approved under and in accordance with the provisions of the Act of Congress of July first, eighteen hundred ninety-eight, entitled "An act to establish a uniform system of bankruptcy throughout the United States," and acts amendatory thereof.

§ 110. Payment for stock; assessments

The capital stock of a corporation shall be paid in such amounts and at such times as the directors may require. The directors may, from time to time, assess upon each share of stock not fully paid up, such sum of money as the necessities of the business may, in the judgment of the board of directors, require, not exceeding in the whole the balance remaining unpaid on said stock, up to the par value thereof, or in the case of stock without par value, not exceeding the price for which such stock was issued by the corporation, and such sum so assessed shall be paid to the treasurer at such time and by such installments or calls as the directors shall direct. The directors shall notify the time and place of such payments by written notice mailed at least 30 days before the time for such payment, to each stockholder at his last known post-office address.

§ 111. Remedies for failure to pay for stock

(a) When any stockholder fails to pay any installment or call upon his stock which may have been properly assessed thereon by the directors, at the time when such payment is due, the directors may collect the amount of any such installment or call or any balance thereof remaining unpaid, from the said stockholder by an action at law, or they shall sell at public sale such part of the shares of such delinquent stockholder as

will pay all assessments then due from him with interest and all incidental expenses, and shall transfer the shares so sold to the purchaser, who shall be entitled to a certificate therefor. Notice of the time and place of such sale and of the sum due on each share shall be given by advertisement for three weeks successively, once in each week before the sale, in a newspaper of general circulation in the United States Virgin Islands, and such notice shall be mailed by the treasurer of the corporation to such delinquent stockholder at his last known post-office address, at least 20 days before such sale. If no bidder can be collected by a civil action, within one year from the date of the bringing of such civil action, the said stock and the amount previously paid in by the delinquent on the stock shall be forfeited to the corporation.

(b) Any stock forfeited under the provisions of subsection (a) of this section may be reissued, or subscriptions therefor may be received, as in the case of stock not issued or subscribed for.

§ 112. Certificate of payment of capital stock

The president with the secretary or treasurer of every corporation organized under this chapter shall, upon the written request of any creditor of such corporation, who shall have obtained a judgment against it and order of execution against the corporation has been returned unsatisfied, make a certificate stating that all the issued shares have been paid in full, or in case any issued shares have not been so paid the amount of the installments or calls paid in cash or by the purchase of property, stating also the total amount of capital stock issued, which certificate shall be signed and sworn or affirmed to by the president and secretary or treasurer, and the president, secretary or treasurer shall within 30 days after the making of such certificate cause the certificate to be filed in the office of the Lieutenant Governor.

§ 113. Lost or destroyed stock certificates; issuance of new certificate

Every corporation organized under this chapter may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost or destroyed, and the directors may require the owner of the lost or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify the corporation against any claim that may be made against it on account of the alleged loss of any such certificate or the issuance of such new certificate. A new certificate may be issued without requiring any bond when in the judgment of the directors it is proper to do so.

§ 114. Dividends; payment; wasting asset corporations

(a) The directors of every corporation created under this chapter which has issued capital stock, subject to any

restrictions contained in its articles of incorporation, may declare and pay dividends upon the shares of its capital stock but only out of its net assets in excess of its capital as computed under accepted accounting practice and in accordance with the provisions of section 100 of this title.

(b) Subject to any restrictions contained in its articles of incorporation, the directors of any corporation engaged in the exploitation of wasting assets may determine the net profits derived from the exploitation of such wasting assets without taking into consideration the depletion of such assets resulting from lapse of time or from necessary consumption of such assets incidental to their exploitation.

§ 115. Reserves

Nothing contained in section 114 of this title shall prevent the stockholders of any corporation, or the directors thereof if the articles of incorporation shall so provide, from setting apart out of any of the funds of the corporation available for dividends a reserve or reserves for any proper purpose or from abolishing any such reserve in the manner in which it was created.

§ 116. Liability of directors as to dividends

A director shall be fully protected in relying in good faith upon the books of account of the corporation or statements prepared by any of its officials as to the value and amount of the assets, liabilities and/or net profits of the corporation, or any other facts pertinent to the existence and amount of surplus or other funds from which dividends might be properly declared and paid.

§ 117. Declaration and payment of dividends

No corporation created under the provisions of this chapter, nor the directors thereof, shall pay dividends upon any shares of the corporation except in accordance with the provisions of this chapter. Dividends may be paid in cash, in property, or in shares of the capital stock, in the case of shares with par value at par, and in the case of shares without par value at such price as may be fixed by the board of directors.

§ 118. Liability of directors for unlawful dividends; exoneration from liability

In case of any willful or negligent violation of the provisions of section 117 of this title, the directors under whose administration the same may happen shall be jointly and severally liable, at any time within six years after paying such unlawful dividend, to the corporation and to its creditors, in the event of its dissolution or insolvency, to the full amount of the dividend unlawfully paid, with interest on the same from the time such liability accrued. Any director who may have been

absent at the time when the act or resolution was adopted by which the unlawful dividends were subsequently paid, or who may have dissented from said act or resolution, may exonerate himself from such liability by causing his dissent to be entered at large on the books containing the minutes of the proceedings of the directors immediately after he has notice of the act or resolution, or at the time the same was adopted, if he was present at the meeting and dissented, or by causing a statement of his dissent to be published, within two weeks after he has notice of said act or resolution, in a newspaper of general circulation in the United States Virgin Islands.

Subchapter 6. Stock Transfers.

[Repealed]

Subchapter 7. Meetings, Elections, Voting, and Notice

§ 181. Place of stockholders' and directors' meetings

In all cases after the first meeting of the incorporators, the meetings of the stockholders of every corporation shall be held annually. The stockholders and directors may hold their meetings and have an office or offices outside of the United States Virgin Islands, if the bylaws so provide.

§ 182. Voting rights of stockholders; proxies; limitations

Unless otherwise provided in the articles of incorporation, each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock held by such stockholder, but no proxy shall be voted on after one year from its date, unless the proxy provides for a longer period, and, except where the transfer books of the corporation have been closed or a date has been fixed as a record date for the determination of its stockholders entitled to vote as provided in section 183 of this title, no share of stock shall be voted on at any election for directors which has been transferred on the books of the corporation within 20 days next preceding such election of directors.

§ 183. Closing transfer books or fixing date for determination of stockholders of record

The board of directors may close the stock transfer books of the corporation for a period not exceeding 50 days preceding the date of any meeting of stockholders or the date for payment of any dividend or the date for the allotment of rights or the date when any change or conversion or exchange of capital stock shall go into effect or for a period of not exceeding 50 days in connection with obtaining the consent of stockholders for any purpose. In lieu of closing the stock transfer books as aforesaid, the bylaws may fix or authorize the board of directors

to fix in advance a date, not exceeding 50 days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining such consent, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting and any adjournment thereof, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock, or to give such consent, and in such case such stockholders and only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the corporation after any such record date fixed as aforesaid.

§ 184. Cumulative voting

The articles of incorporation of any corporation may provide that at all elections of directors of the corporation, each stockholder shall be entitled to as many votes as shall equal the number of votes which (except for such provision as to cumulative voting) he would be entitled to cast for the election of directors with respect to his shares of stock multiplied by the number of directors to be elected, and that he may cast all of such votes for a single director or may distribute them among the number to be voted for, or for any two or more of them as he may see fit, which right when exercised, shall be termed cumulative voting.

§ 185. Quorum

Subject to any provision of this chapter specifying the vote that shall be required for a specified action, the articles of incorporation or the bylaws may specify the number of shares and the amount of other securities having voting power the holders of which shall be present or represented by proxy at any meeting in order to constitute a quorum for, and the votes that shall be necessary for, the transaction of any business.

§ 186. Voting rights of fiduciaries and pledgors

Persons holding stock in a fiduciary capacity shall be entitled to vote the shares so held, and persons whose stock is pledged shall be entitled to vote, unless in the transfer by the pledgor on the books of the corporation he has expressly empowered the pledgee to vote thereon, in which case only the pledgee or his proxy may represent said stock and vote thereon.

§ 187. Voting trusts

A stockholder, by agreement in writing, may transfer his stock to a voting trustee or trustees for the purpose of conferring the right to vote thereon for a period not exceeding ten years upon the terms and conditions therein stated. Every other stockholder may transfer his stock to the same trustee or trustees and thereupon shall be a party to such agreement. The certificates of stock so transferred shall be surrendered and cancelled and new certificates therefor issued to such trustee or trustees in which it shall appear that they are issued pursuant to such agreement, and in the entry of such ownership in the proper books of such corporation that fact shall also be noted, and thereupon such trustee or trustees may vote upon the stock so transferred during the term of such agreement. A duplicate of every such agreement shall be filed in the principal office of the corporation in the United States Virgin Islands and at all times during business hours be open to inspection by any stockholder or his attorney. The trustee or trustees shall keep at their office or at a place available to certificate holders correct books of account of all their business and transactions, and a book to be known as the certificate book containing the names, alphabetically arranged, of all persons who are voting trust certificate holders, showing their places of residence, the number of shares of stocks represented by the certificates held by them respectively, and the time when they respectively became the owners thereof. The certificate book shall be open daily, during at least three business hours, for inspection by any person who shall have been a certificate holder for at least six months immediately preceding his demand. Persons so entitled to inspect the certificate book may make extracts therefrom. Any trustee who shall neglect or refuse to keep or cause to be kept such books or to keep any certificate book open for inspection, as herein required, shall forfeit the sum of \$50 for every day he shall so neglect or refuse; it shall be the duty of the United States United States attorney to sue for and recover in the name of the Government of the United States Virgin Islands the penalty above provided, and the same, when so recovered shall be paid into the Treasury of the Government of the United States Virgin Islands. If any trustee shall willfully neglect or refuse to make any proper entry in such book or books or shall neglect or refuse to exhibit any such certificate book or to allow any such certificate book to be inspected and extracts taken therefrom as provided in this section, each such trustee shall, in addition, forfeit and pay to the party injured a penalty of \$50 for every such neglect or refusal, and all damages resulting to him therefrom.

§ 188. List of stockholders entitled to vote; penalty for refusal to produce

The officer who has charge of the stock ledger of a corporation shall prepare and make, at least ten days before every election of directors, a complete list of the stockholders entitled to vote at said election, arranged in alphabetical

order. Such list shall be open during the usual hours for business at the place where said election is to be held for 10 days next preceding the date of said election, to the examination of any stockholder, and shall be produced and kept at the time and place of election during the whole time thereof, and subject to the inspection of any stockholder who may be present. Upon the willful neglect or refusal of the said directors to produce such a list at any election they shall be ineligible to any office at such election.

§ 189. Stock ledger; inspection; evidence

The original or duplicate stock ledger certified by an officer of the corporation to be correct shall be the only evidence as to who are the stockholders entitled to examine the list required by section 188 of this title or the books and accounts of the corporation, or to vote in person or by proxy at any such election. The original or duplicate stock ledger containing the names and addresses of the stockholders, the number of shares held by them, respectively and the dates when they respectively became owners, shall, at all times, during the usual hours for business, be open to the examination of every stockholder at its principal office or place of business in the Virgin Islands, and such original or duplicate stock ledger certified by an officer of the corporation to be correct shall be evidence in all courts of the United States Virgin Islands.

§ 190. Voting, inspection and other rights of bond and debenture holders

Every corporation organized under this chapter may make suitable provision in its articles of incorporation and thereby to the extent, in the manner and subject to the conditions provided in the articles of incorporation confer upon the holders of any bonds or debentures issued or to be issued by any such corporation, whether secured by mortgage or otherwise, the power to vote in respect to the corporate affairs and management of the corporation to the same extent and in the same manner as stockholders of the corporation, as may be provided in the articles of incorporation and, in case of a default in the payment of the principal or interest on said bonds or debentures, or otherwise, or in any other case, confer upon such bondholders or debenture holders the same right of inspection of the corporate books and accounts and records of any such corporation, and also any other rights, which the stockholders of the corporation have or may have by reason of the provisions of any law of the United States Virgin Islands or pursuant to the provisions of the articles of incorporation.

§ 191. Election of directors; manner, time, place and notice

All elections of directors shall be by ballot, unless otherwise provided in the articles of incorporation. The first meeting for the election of directors, at which meeting any

business may be transacted, shall be held at any place either within or without the United States Virgin Islands fixed by a majority of the incorporators in a writing signed by them, and thereafter meetings of the stockholders shall be held annually for the election of directors and the transaction of any other business at the time and place within or without the United States Virgin Islands named in the bylaws, and which shall not be changed within 60 days next before the day on which the election is to be held. A notice of any change shall be given to each stockholder 20 days before the election is held, in person or by letter mailed to his last known post-office address. The bylaws may state the city, town or village in which meetings of stockholders for the election of directors, after the first meeting, may be held and authorize the board of directors to fix the place within such city, town or village for the holding of such meeting. At least 10 days' notice shall be given to the stockholders of the place so fixed.

§ 192. Newly created directorships

Newly created directorships resulting from any increase in the authorized number of directors, may be filled by a majority of the directors then in office, though less than a quorum, unless it is otherwise provided in the articles of incorporation or bylaws, and the directors so chosen shall hold office until the next annual elections and until their successors are duly elected and qualified, unless sooner displaced; but, if the directors then in office shall constitute less than a majority of the whole board (as constituted immediately prior to any such increase), upon application of any stockholder or stockholders holding at least 10 percent of the total number of shares of the capital stock of the corporation at the time outstanding having the right to vote for directors, the District Court of the United States Virgin Islands may summarily order an election to be held to fill any such newly created directorships, or to replace the director or directors chosen by the directors then in office as aforesaid, which election shall be governed by the provisions of section 193 of this title in so far as such provisions are applicable. The person or persons elected pursuant to said order shall serve as a director or as directors until the next annual meeting of stockholders and until their successors are duly elected and qualified, and shall displace any person or persons who may theretofore have been appointed by the directors then in office as aforesaid.

§ 193. Failure to hold election of directors; proceedings to compel election

If the election for directors of any corporation shall not be held on the day designated by the bylaws, the directors shall cause the election to be held as soon thereafter as convenient. No failure to elect directors at the designated time shall work any forfeiture or dissolution of the corporation, but the district court may summarily order an election to be held upon

the petition of any stockholder and at such election the shares of stock represented at said meeting, either in person or by proxy, shall constitute a quorum for the purpose of such meeting, notwithstanding any provision of the bylaws of the corporation to the contrary.

§ 194. Contested election; proceedings to determine validity

Upon the application by any stockholder the district court may hear and determine the validity of any stockholders' vote or any election of any director of any corporation organized under this chapter, and the right of any person to hold such office, and in case any such office is claimed by more than one person may determine the person entitled thereto; and to that end make such order or decree in any such case as may be just and proper, with power to enforce the production of any books, papers and records of the corporation relating to the issue. In addition to other grounds of invalidity, the court may declare any election or vote of stockholders invalid if it is satisfied that proxies or votes cast thereat have been procured (a) by bribery or (b) as a result of statements or letters or other documents soliciting proxies which contained a material misstatement of fact or omitted to state facts so as to render the facts stated therein misleading in a material respect, and that proxies or votes so procured determined the result of the election. In case it should be determined that no valid election of the corporation has been held, the district court may order an election to be held in the manner provided in section 193 of this chapter. In any such application service of copies of such petition upon the resident agent of the corporation shall be deemed to be service upon the corporation and upon the person whose title to office is contested and upon the person, if any, claiming such office; and the resident agent shall forward immediately a copy of the petition so delivered to him, or it, to the corporation and to the person whose title to office is contested and to the person, if any, claiming such office, in a postpaid, sealed, registered letter addressed to such corporation or such person at its or his last known post-office address. The court may make such further or other order respecting notice of such application as it deems proper under the circumstances.

§ 195. Equally divided vote; receivership

Whenever, by reason of an equally divided vote of the stockholders, there shall be a failure to elect directors, and such failure for such reason shall exist at two successive annual elections, or if there shall be a failure to elect directors by reason of an equally divided vote at an election held in accordance with section 193 of this chapter, the district court, on petition of any stockholder, may in the absence of an existing agreement for arbitration appoint one or more persons to be receivers of and for such corporation, with all the powers of the corporation and the power to continue the corporate business until otherwise ordered by the court.

§ 196. Consent of stockholders in lieu of meeting

Whenever the vote of stockholders at a meeting thereof is required or permitted to be taken in connection with any corporate action, by any section of this chapter, the meeting and vote of stockholders may be dispensed with, if all of the stockholders who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such corporate action being taken. Nothing herein contained shall be construed to alter or modify the provisions of section 281 of this chapter. In the event that the action which is consented to is such as would have required the filing of a certificate under any of the other sections of this chapter, if such action had been voted upon by the stockholders at a meeting thereof, the certificate filed under such other section shall state that written consent has been given hereunder, in lieu of stating that the stockholders have voted upon the corporate action in question, if such last mentioned statement is required thereby.

§ 197. Waiver of notice

Whenever any notice whatever is required to be given under the provisions of this chapter, or under the provisions of the articles of incorporation or bylaws of any corporation organized under the provisions of this chapter, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated in said notice, shall be deemed equivalent thereto.

§ 198. Exception as to requirements of notice

Whenever any notice whatever is required to be given under the provisions of this chapter, or under the provisions of the articles of incorporation or bylaws of any corporation organized under the provisions of this chapter, to any person with whom communication is made unlawful by any law of or having force within the United States Virgin Islands, or by any rule, regulation, proclamation or executive order issued under any such law, then the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person; and any action or meeting which shall be taken or held without notice to any such person or without giving or without applying for a license or permit to give any such notice to any such person with whom communication is made unlawful as aforesaid, shall have the same force and effect as if such notice had been given as provided under the provisions of this chapter, or under the provisions of the articles of incorporation or bylaws of any corporation organized under this chapter. In the event that the action taken by the corporation is such as to require the filing of a certificate under any of the other sections of this chapter, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom

communication is made unlawful by any law, rule, regulation, proclamation or executive order as aforesaid.

Subchapter 8. Amendments; Changes in Capital and Capital Stock

§ 221. Amendment of articles of incorporation before payment of any capital

The incorporators, or the directors if any have been elected and qualified, of any corporation organized under the provisions of this chapter before the payment of any part of its capital, may file with the Lieutenant Governor an amendment or amendments to its articles of incorporation, duly signed by the incorporators named in the original articles of incorporation, or by the directors if any have been elected, and duly acknowledged in the manner required for articles of incorporation, modifying, changing, or altering its articles of incorporation in whole or in part. The Lieutenant Governor shall furnish a certified copy of any such certificate under his hand and seal of office, and the certified copy shall be filed in the office of the clerk of the district court in the judicial division in which the corporation's original articles of incorporation were filed. Upon the filing and recording of the certificate of amendment, the articles of incorporation of said corporation shall be deemed to be amended accordingly as of the date on which the original articles of incorporation were filed. Nothing herein contained shall permit the insertion of any matter not in conformity with the provisions of this chapter.

§ 222. Amendment of articles of incorporation after payment of capital

(a) Any corporation created under the provisions of this chapter, may, from time to time, when and as desired, amend its articles of incorporation by -

(1) addition to its corporate powers and purposes, or diminution thereof, or both; or

(2) substitution of other powers and purposes, in whole or in part, for those prescribed by its articles of incorporation; or

(3) increasing or decreasing its authorized capital stock or reclassifying the same, by changing the number, par value, designations, preferences, or relative, participating, optional, or other special rights of the shares, or the qualifications, limitations or restrictions of such rights, or by changing shares with par value into shares without par value, or shares without par value into shares with par value either with or without increasing or decreasing the number of shares; or

(4) changing its corporate title; or

(5) making any other change or alteration in its articles of incorporation that may be desired.

Any or all such changes or alterations may be effected by one certificate of amendment.

All articles of incorporation as so amended, changed or altered, shall contain only such provisions as it would be lawful and proper to insert in original articles of incorporation made at the time of making such amendment.

(b) Whenever issued shares having par value are changed into the same or a greater or less number of shares without par value, whether of the same or of a different class or classes of stock, the aggregate amount of the capital of the corporation represented by such shares without par value shall be the same as the aggregate amount of capital represented by the shares so changed; and whenever issued shares without par value are changed into other shares without par value to a greater or less number, whether of the same or of a different class or classes, the amount of capital represented by the new shares in the aggregate shall be the same as the aggregate amount of capital represented by the shares so changed.

(c) The certificate of amendment of any articles of incorporation effecting any change in the issued shares of the corporation shall set forth that the capital of the corporation will not be reduced under or by reason of the amendment.

(d) Every amendment authorized by subsection (a) of this section shall be made and effected in the following manner -

The board of directors shall adopt a resolution setting forth the amendment proposed, declaring its advisability, and calling a meeting of the stockholders entitled to vote in respect thereof for the consideration of such amendment. The meeting shall be called and held upon such notice as the articles of incorporation or by-laws of the corporation shall provide, or, in the absence of such provision, upon notice thereof to each stockholder so entitled to vote, either delivered to such stockholder or mailed to him, at his post-office address, if known, at least ten days before the date fixed for the meeting. The notice shall set forth such amendment in full or a brief summary of the changes to be effected thereby, as the directors shall deem advisable. At the meeting a vote of the stockholders entitled to vote, in person or by proxy, shall be taken for and against the proposed amendment, which vote shall be conducted by two judges, appointed for the purpose either by the directors or by the meeting. The judges shall decide upon the qualifications of voters, and accept their votes, and when the vote is completed, count and ascertain the number of shares voted respectively for and against the amendment, and shall declare whether the natural or juridical persons holding the majority of the voting stock of the corporation (or of each class of stock entitled to vote thereon, when such vote is to be taken by classes) have voted for or against the proposed amendment; and shall make out a certificate accordingly, stating the number of shares of stock, issued and outstanding and entitled to vote thereon, and the number of shares voted for and the number of shares voted against the amendment respectively, and shall subscribe and deliver the certificate to the secretary of the corporation. If it appears by the certificate of the judges that the natural or juridical persons holding the majority of the stock of the corporation entitled to vote (or of each class of

stock when such vote is to be taken by classes) have voted in favor of the amendment, a certificate setting forth the amendment and certifying that such amendment has been duly adopted in accordance with the provisions of this section shall be made under the seal of the corporation and signed by its president or a vice-president, and its secretary or an assistant secretary and the president or such vice-president shall acknowledge the certificate before an officer authorized by the laws of the United States Virgin Islands to authenticate signatures. The certificate, so executed and acknowledged, shall be filed in the office of the Lieutenant Governor, and a copy thereof, certified by the Lieutenant Governor, shall be filed in the office of the clerk of the district court in the judicial division in which the original articles of incorporation are filed. Upon filing the same, the articles of incorporation of the corporation shall be deemed to be amended accordingly. If any proposed amendment would alter or change the preferences, special rights or powers given to any one or more classes of stock by the articles of incorporation, or would affect such class or classes of stock, or would increase or decrease the amount of the authorized stock of such class or classes of stock, or would increase or decrease the par value thereof, then the holders of the stock of each class of stock so affected by the amendment shall be entitled to vote as a class upon such amendment, whether by the terms of the articles of incorporation such class be entitled to vote or not; and the affirmative vote of a majority in interest of each such class of stock so affected by the amendment shall be necessary to the adoption thereof, in addition to the affirmative vote of a majority of all other stock entitled to vote thereon. The amount of the authorized stock of any such class or classes of stock may be increased or decreased by the affirmative vote of the holders of a majority of the stock of the corporation entitled to vote, if so provided in the original articles of incorporation or in any amendment thereto which created such class or classes of stock or in any amendment thereto which was authorized by a resolution or resolutions adopted by the affirmative vote of the holders of a majority of such class or classes of stock.

(e) No amendment to articles of incorporation may be filed in the Office of the Lieutenant Governor unless the corporation shall have paid in full all franchise taxes due and payable, including penalties and interest, if any.

§ 223. Redemption, purchase or retirement of preferred or special stock

(a) Whenever any corporation organized under this chapter has issued any preferred or special shares it may, subject to the provisions of its articles of incorporation -

(1) redeem all or any part of such shares, if subject to redemption, at such time or times, at such price or prices, and otherwise as shall be stated or expressed in the articles of incorporation; or

(2) at any time or from time to time purchase all or any part of such shares, but in the case of shares subject to

redemption, at not exceeding the price at which the same may be redeemed; or

(3) at any time or from time to time, by resolution of the board of directors, retire any such shares redeemed or purchased out of surplus.

The corporation may apply to such redemption or purchase an amount out of its capital which shall not be greater than the capital represented by the shares so redeemed or purchased, provided that the effect of any such redemption or purchase and application of capital thereto shall not be to reduce that actual value of its assets to an amount less than the total amount of its debts and liabilities plus the amount of its capital reduced by the amount of capital so applied.

Whenever upon the conversion or exchange of preferred or special shares into or for other shares of the corporation the amount of capital represented by such preferred or special shares exceeds the total aggregate par or stated value represented by such other shares, the corporation by resolution of the board of directors may as herein provided reduce its capital at any time thereafter by all or any part of such excess. No such redemption or purchase, however, shall be made out of capital, and there shall be no such redemption of capital after such conversion or exchange, unless the assets of the corporation remaining after such redemption, purchase or reduction shall be sufficient to pay any debts of the corporation, the payment of which shall not have been otherwise provided for.

(b) Any such shares so redeemed or purchased by the application of capital or otherwise retired pursuant to the provisions of this section, shall upon the filing of the certificate hereinafter in this section provided for, and any shares of the corporation surrendered to it on the conversion or exchange thereof into or for other shares of the corporation shall, after such conversion or exchange, have the status of authorized and unissued shares of the class of stock to which such shares belong; but if the articles of incorporation prohibit the reissue of such shares, the authorized capital stock of the corporation of the class to which such shares belong shall, upon such redemption, purchase, retirement, conversion or exchange, be deemed to be, and shall, upon the filing of an appropriate certificate, executed as hereinafter provided, be reduced to the extent of the aggregate par value of the shares so redeemed, purchased, retired, converted or exchanged or, if such shares are without par value, to the extent of the number of such shares so redeemed, purchased, retired, converted or exchanged.

(c) Whenever any capital of the corporation is applied to the redemption or the purchase of shares, or any shares are retired pursuant to the provisions of this section, or whenever following the conversion or exchange of preferred or special shares of the corporation the capital of the corporation is to be reduced as herein provided, a certificate shall be made accordingly under the seal of the corporation and shall be filed in the office of the Lieutenant Governor and a copy thereof, certified by the Lieutenant Governor, shall be filed in the office of the clerk of the district court in the judicial

division in which the original articles of incorporation are filed.

§ 224. Reduction of capital

(a) Any corporation organized under this chapter may reduce its capital at any time by -

(1) the written consent of the holders of record of the total number of shares of the corporation having voting powers at the time outstanding; or

(2) resolution of its board of directors supplemented by a resolution adopted by the holders of record of a majority of said shares at a meeting of the stockholders called for that purpose upon at least ten days' notice given in accordance with the bylaws of the corporation to the stockholders.

Any preferred or special shares which have been called for redemption and the payment of the redemption price of which has been provided for shall not be deemed to be outstanding. A certificate stating the fact of such consent or the adoption of such resolution and specifying the manner in and the extent to which the capital of the corporation is to be reduced shall be made under the seal of the corporation and the hands of its president or a vice-president and its secretary or an assistant secretary and the president or such vice-president shall acknowledge the certificate before an officer authorized by the laws of the United States Virgin Islands to take acknowledgments, and the certificate, so executed and acknowledged, shall be filed in the office of the Lieutenant Governor and a copy thereof, certified by the Lieutenant Governor, shall be filed in the office of the clerk of the district court in the judicial division in which the original articles of incorporation are filed. Upon the completion of such filing the capital of the corporation shall thereby be so reduced. No such reduction, however, shall be made in the capital of the corporation unless the assets of the corporation remaining after such reduction are sufficient to pay any debts, the payment of which shall not have been otherwise provided for and the certificate shall so state.

(b) Such reduction of the capital of the corporation may be effected by -

(1) retiring or reducing the outstanding shares of any class or by drawing the necessary number of outstanding shares of any class by lot for retirement; or

(2) the exchange by the holders of outstanding shares of any class of the shares of such class held by them for a decreased number of shares of stock of the same or of a different class of stock; or

(3) the exchange of shares having par value for shares having no par value, or of shares without par value for shares with par value; or

(4) the exchange of shares having par value for an increased number of shares of lesser par value; or

(5) the exchange of par value shares for shares without par value and/or par value shares of any class; or

(6) the exchange of shares without par value for par value shares and/or shares without par value of any class, the effect of which is to work a reduction of capital; or

(7) reducing (in conjunction with appropriate action under section 222 of this title) the par value of the shares of any class of stock having par value; or

(8) reducing the amount of capital represented by shares of stock having no par value; or

(9) in case the capital shall have been increased by the transfer thereto from surplus pursuant to the provisions of section 100 of this title, retransferring to surplus all or any part of the amount by which capital shall have been so increased; or

(10) the purchase of shares for retirement, either pro rata from all holders of shares of that class of stock or by purchasing such shares from time to time in the open market or at private sale in both cases at not exceeding such price or prices as may be fixed or approved by the stockholders entitled to vote upon the reduction of capital to be effected in that manner; or

(11) retiring shares owned by the corporation.

If such reduction of capital of the corporation be effected by retiring shares, then, if the consent or resolution of stockholders above referred to shall so provide, an amount not exceeding that part of the capital of the corporation represented by such shares may be charged against or paid out of the capital of the corporation in respect of such shares.

(c) If such reduction of capital shall have been effected by retiring or reducing the outstanding shares of any class in any of the manners provided for in subsections (a) and (b) of this section, including the retirement of shares already owned by the corporation, the shares so retired or by the acquisition of which in any manner the outstanding shares of such class shall have been reduced shall, upon the filing and recording of the certificate as provided in this section, if the articles of incorporation do not prohibit the reissue thereof, have the status of authorized and unissued shares of the class of stock to which such shares belong.

(d) If the articles of incorporation prohibit the reissue of such shares the filing and recording of such certificate, containing a recital of such fact, shall constitute an amendment to the articles of incorporation effecting a reduction of the authorized capital stock of the corporation to the extent of the aggregate par value of such shares, or, if such shares are without par value, to the extent of the total number of such shares. If such shares constitute all the outstanding shares of any particular class and the reissue thereof is so prohibited, the filing and recording of such certificate, containing a recital of such fact, shall constitute an amendment to the articles of incorporation effecting a reduction in the authorized capital stock of the corporation by the elimination therefrom of all reference to the particular class of stock.

(e) When any corporation shall decrease the amount of its capital as provided in this section, the certificate shall be published for three weeks successively at least once in each

week, in a newspaper of general circulation published in the United States Virgin Islands; the first publication to be made within fifteen days after the filing of such certificate, and in default thereof the directors of the corporation shall be jointly and severally liable to any creditors of the corporation who shall suffer loss by reason of the noncompliance with the provisions of this section and the stockholders shall be similarly liable up to the amount of such sums as they may respectively receive of the amount so reduced. No such decrease of capital shall release the liability of any stockholder, whose shares have not been fully paid, for debts of the corporation theretofore contracted.

Subchapter 9. Merger or Consolidation

§ 251. Consolidation or merger of domestic corporations

(a) Any two or more corporations organized under the provisions of this chapter or existing under the laws of the United States Virgin Islands, for the purpose of carrying on any kind of business may merge into a single corporation which may be any one of said constituent corporations or may consolidate to form a new corporation as shall be specified in the agreement required by subsection (b) of this section.

(b) The directors, or a majority of them, of such corporations as desire to consolidate or merge, may enter into an agreement signed by them under the corporate seals of the respective corporations, prescribing the terms and conditions of consolidation or merger, the mode of carrying the same into effect, and stating such other facts required or permitted by the provisions of this chapter to be set out in articles of incorporation, as can be stated in the case of a consolidation or merger, stated in such altered form as the circumstances of the case require, as well as the manner of converting the shares of each of the constituent corporations into shares of other securities of the corporation resulting from such consolidation or surviving such merger, and if any shares of any of the constituent corporations are not to be converted solely into shares or other securities of the corporation resulting from such consolidation or surviving such merger, the amount of cash or securities of any other corporation which the holders of such shares are to receive in exchange for such shares or upon their conversion and the surrender of certificates evidencing such shares, which cash or securities of any other corporation may be in addition to or in lieu of the shares or other securities of the corporation resulting from such consolidation or surviving such merger, with such other details and provisions as are deemed necessary.

(c) The agreement required by subsection (b) of this section shall be submitted to the stockholders of each constituent corporation at a meeting thereof, called separately for the purpose of taking the same into consideration. Due notice of the time, place and object of the meeting shall be given by publication at least once a week for four successive

weeks in one or more newspapers of general circulation published in the United States Virgin Islands, and a copy of such notice shall be mailed to the last known post-office address of each stockholder of each such corporation at least 20 days prior to the date of such meeting. At the meeting the agreement shall be considered and a vote by ballot, in person or by proxy, taken for the adoption or rejection of the same, each share entitling the holder thereof to one vote. If the votes of stockholders of each such corporation representing two-thirds of the total number of shares of its capital stock shall be for the adoption of the agreement, then that fact shall be certified on the agreement by the secretary or assistant secretary of each such corporation, under the seal thereof; and the agreement so adopted and certified shall be signed by the president or vice-president and the secretary or assistant secretary of each of such corporations under the corporate seals thereof and acknowledged by the president or vice-president of each of such corporations before any officer authorized by the laws of the United States Virgin Islands to take acknowledgments of deeds to be the respective act, deed and agreement of each of the corporations. The agreement so certified and acknowledged shall be filed in the office of the Lieutenant Governor, and a copy of the agreement, certified by the Lieutenant Governor, shall be filed in the offices of the clerk of the district court in the judicial divisions in which the articles of incorporation of the respective corporations so consolidating or merging are filed. The agreement, when so filed, shall thenceforth be taken and deemed to be the agreement and act of consolidation or merger of the corporations. A certified copy thereof, shall be evidence of the agreement and act of consolidation or merger of the corporations, and of the observance and performance of all acts and conditions necessary to have been observed and performed precedent to such consolidation or merger.

§ 252. Consolidation or merger of domestic and foreign corporations; service of process upon surviving corporation

(a) Any one or more corporations organized under the provisions of this chapter or existing under the laws of the United States Virgin Islands may consolidate or merge with one or more other corporations organized under the laws of any state or states, if the laws under which such other corporation or corporations are formed shall permit such consolidation or merger. The constituent corporations may merge into a single corporation, which may be any one of the constituent corporations, or they may consolidate to form a new corporation, which may be a corporation of the United States Virgin Islands or of the state of incorporation of any one of the constituent corporations as shall be specified in the agreement required by subsection (b) of this section.

(b) All the constituent corporations shall enter into an agreement in writing which shall prescribe the terms and conditions of the consolidation or merger, the mode of carrying the same into effect, the manner of converting the shares of each

of the constituent corporations into shares or other securities of the corporation resulting from or surviving such consolidation or merger, and if any shares of any of the constituent corporations are not to be converted solely into shares or other securities of the corporation resulting from such consolidation or surviving such merger, the amount of cash or securities of any other corporation which the holders of such shares are to receive in exchange for such shares or upon their conversion and the surrender of certificates evidencing such shares, which cash or securities of any other corporation may be in addition to or in lieu of the shares or other securities of the corporation resulting from or surviving such consolidation or merger, and such other details and provisions as shall be deemed necessary or proper. There shall also be set forth in the agreement such other facts as shall then be required to be set forth in articles of incorporation by the laws of the United States Virgin Islands or by the laws of the state which are stated in the agreement to be the laws that shall govern the resulting or surviving corporation and that can be stated in the case of a consolidation or merger.

(c) The agreement shall be authorized, adopted, approved, signed and acknowledged by each of the constituent corporations in accordance with the laws under which it is formed and, in the case of a Virgin Islands' corporation, in the manner provided in section 251 of this title. The agreement so authorized, adopted, approved, signed and acknowledged shall be filed in the office of the Lieutenant Governor, and a copy thereof, certified by the Lieutenant Governor, shall be filed in the office of the clerk of the district court in the judicial division in which the articles of incorporation are filed. The agreement, when so filed, shall henceforth be taken and deemed to be the agreement and act of consolidation or merger of the constituent corporations for all purposes of the laws of the United States Virgin Islands and if the corporation resulting from or surviving such consolidation or merger is a Virgin Islands' corporation such agreement shall have the force and effect of articles of incorporation.

(d) If the corporation resulting from such consolidation or surviving such merger is to be governed by the laws of any state it shall agree that it may be served with process in the United States Virgin Islands in any proceeding for enforcement of any obligation of any constituent corporation of the United States Virgin Islands as well as for enforcement of any obligation of the resulting or surviving corporation arising from the consolidation or merger, including any action or other proceeding to enforce the right of any stockholder as determined in appraisal proceedings pursuant to the provisions of section 256 of this title, and shall irrevocably appoint the Lieutenant Governor as its agent to accept service of process in any such action or other proceeding and shall specify the address of the corporation to which a copy of such process shall be mailed by the Lieutenant Governor. Service of such process shall be made personally delivering to and leaving with the officer designated by the Lieutenant Governor for that purpose duplicate copies of such process and of the complaint. The Lieutenant Governor shall

forthwith send by registered mail one of such copies to such resulting or surviving corporation at its address so specified, unless such resulting or surviving corporation shall thereafter have designated in writing to the Lieutenant Governor a different address for such purpose, in which case it shall be mailed to the last address so designated. In any action in which the process shall be so served, the plaintiff shall pay to the Lieutenant Governor the sum of five dollars (\$5.00), which sum shall be taxed as a part of the costs in the action if the plaintiff shall prevail therein. The Lieutenant Governor shall enter alphabetically in a process book, kept for that purpose, the name of plaintiff and defendant, the title and number if any of the cause in which process has been served upon the Lieutenant Governor, and the day and hour when the service was made.

§ 253. Status, rights, liabilities, etc., of constituent and surviving corporations

When an agreement of consolidation or merger shall have been signed, acknowledged and filed, in accordance with the requirements of this chapter, for all purposes of the laws of the United States Virgin Islands the separate existence of all the constituent corporations, parties to said agreement, in the case of consolidation, or of all such constituent corporations except the one in which the other or others of such constituent corporations have been merged, in the case of merger, shall cease and the constituent corporations shall become a new corporation, or be merged into one of such corporations, in the case of merger, in accordance with the provisions of said agreement, possessing all the rights, privileges, powers and franchises of a public as well as of a private nature, and being subject to all the restrictions, disabilities and duties of each of such corporations so consolidated or merged, and all and singular the rights, privileges, powers and franchises of each of said corporations, and all property, real and personal, and all debts due to any of said constituent corporations on whatever account, as well for stock subscriptions as all other things in action or belonging to each of such corporations shall be vested in the corporation resulting from or surviving such consolidation or merger; and all property, rights, privileges, powers and franchises, and all and every other interest shall be thereafter as effectually the property of the resulting or surviving corporation as they were of the several and respective constituent corporations, and the title to any real property vested by deed or otherwise, under the laws of the United States Virgin Islands, in any such constituent corporations, shall not revert or be in any way impaired by reason of this chapter; but all rights of creditors and all liens upon any property of any of said constituent corporations shall be preserved unimpaired, and all debts, liabilities and duties of the respective constituent corporations shall thenceforth attach to said resulting or surviving corporation, and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

§ 254. Powers of corporations resulting from consolidation or merger; issuance of stock, bonds, etc.

When two or more corporations are consolidated or merged, the corporation resulting from such consolidation or surviving such merger may issue bonds or other obligations, negotiable or otherwise, and with or without coupons or interest certificates thereto attached, to an amount sufficient with its capital stock to provide for all the payments it will be required to make or obligations it will be required to assume, in order to effect such consolidation or merger in accordance with the terms of agreement thereof; to secure the payment of which bonds and obligations it shall be lawful to mortgage its corporate franchise, rights, privileges and property; and may issue certificates of its capital stock and other securities to the stockholders of such constituent corporations in exchange or payment for the original shares, in such amount as shall be necessary in accordance with the terms of agreement of consolidation or merger in order to effect such consolidation or merger in the manner and on the terms specified in such agreement.

§ 255. Effect of consolidation or merger on pending actions

Any action or proceeding pending by or against any of the corporations consolidated or merged may be prosecuted as if such consolidation or merger had not taken place, or the corporation resulting from such consolidation or surviving such merger may be substituted in its place.

§ 256. Rights of dissenting stockholders

(a) The corporation resulting from any consolidation or surviving any merger shall within 10 days after the date in which the agreement of consolidation or merger has been filed, notify each stockholder in any corporation of the United States Virgin Islands consolidating or merging, who objected thereto in writing and whose shares were not voted in favor of such consolidation or merger, and who filed such written objection with the corporation before the taking of the vote in such consolidation or merger, that the agreement has been filed. Such notice shall include a statement that the stockholder has the right, within 20 days after the date of mailing the notice, to demand in writing payment of the value of his stock and a statement of the provisions of subsections (a) and (b) of this section. The notice shall be sent by registered mail, return receipt requested, addressed to the stockholder at his last known address as it appears on the books of the corporation. If any such stockholder shall within 20 days after the date of mailing of the notice demand in writing, from the corporation resulting from or surviving such consolidation or merger, payment for his stock, such resulting or surviving corporation shall, within 30 days after the expiration of the period of 20 days, pay to him the value of his stock on the date of the filing of the agreement of

consolidation or merger, exclusive of any element of value arising from the expectation or accomplishment of such consolidation or merger.

(b) If during the period of 30 days provided for in subsection (a) of this section, the corporation and any such objecting stockholder fail to agree as to the value of such stock, any such stockholder, or the corporation resulting from such consolidation or surviving such merger, may by petition filed in the district court within four months after the expiration of the period of 30 days demand a determination of the value of the stock of all such objecting stockholders by an appraiser to be appointed by the court.

(c) Upon the filing of any such petition by a stockholder, service of a copy thereof shall be made upon the corporation, which shall within ten days after such service file in the office of the clerk of the court in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the corporation. If the petition shall be filed by the corporation, the petition shall be accompanied by such a duly verified list. The clerk of the court shall give notice of the time and place fixed for the hearing of such petition by registered mail to the corporation and to the stockholders shown upon the list at the addresses therein stated, and notice shall also be given by publishing a notice at least once a week for two successive weeks, the second publication to appear at least one week before the day of the hearing, in a newspaper of general circulation published in the United States Virgin Islands. The court may direct such additional publications of notice as it deems advisable. The forms of the notices by mail and by publication shall be approved by the court.

(d) After the hearing of such petition the court shall determine the stockholders who have complied with the provisions of this section and become entitled to the valuation of and payment for their shares, and shall appoint an appraiser to determine such value. Such appraiser may examine any of the books and records of the corporation or corporations the stock of which he is charged with the duty of valuing, and he shall make a determination of the value of the shares upon such investigation as to him seems proper. The appraiser shall also afford a reasonable opportunity to the parties interested to submit to him pertinent evidence on the value of the shares. The appraiser, also, shall have such powers and authority as may be conferred upon him by the rules of the court or by the order of his appointment.

(e) The appraiser shall determine the value of the stock of the stockholders adjudged by the court to be entitled to payment therefor and shall file his report respecting such value in the office of the clerk of the court in which the petition was filed and notice of the filing of such report shall be given by the said clerk to the parties in interest. Such report shall be subject to exceptions to be heard before the court both upon the law and facts. The court shall by its decree determine the value

of the stock of the stockholders entitled to payment therefor and shall direct the payment of such value, together with interest, if any, as hereinafter provided, to the stockholders entitled thereto by the resulting or surviving corporation upon the transfer to it of the certificates representing such stock, which decree may be enforced as other decrees in the district court may be enforced, whether such resulting or surviving corporation be a corporation of the United States Virgin Islands or of any state of the United States.

(f) At the time of appointing the appraiser or at any time thereafter the court may require the dissenting stockholders to submit their certificates of stock to the clerk of the court for notation thereon of the pendency of the appraisal proceedings, and if any stockholder fails to comply with such direction the court may dismiss the proceedings as to such stockholder.

(g) The cost of any such appraisal, including a reasonable fee to and the reasonable expenses of the appraiser, but exclusive of fees of counsel or of experts retained by any party, may on application of any party in interest be determined by the court and taxed against the corporation unless it shall be shown that one or more parties to the proceeding has acted in bad faith or unreasonably, in which case the court may tax such cost in whole or in part against the parties to such appraisal as appears equitable, except that the cost of giving the notice by publication and by registered mail herein above provided for shall be paid by the corporation. The court may, in application of any party in interest, determine the amount of interest, if any, to be paid upon the value of the stock of the stockholders entitled thereto.

(h) Any stockholder who has demanded payment of his stock as herein provided shall not thereafter be entitled to vote such stock for any purpose or be entitled to the payment of dividends or other distribution on the stock (except dividends or other distributions payable to stockholders of record at a date which is prior to the date of the filing of the agreement of merger or consolidation) unless the appointment of an appraiser shall not be applied for within the time herein provided, or the proceeding be dismissed as to such stockholder, or unless such stockholder shall with the written approval of the corporation deliver to the corporation a written withdrawal of his objections to and an acceptance of such consolidation or merger, in any of which cases the right of such stockholder to payment of his stock shall cease.

(i) The shares of the surviving or resulting corporation into which the shares of such dissenting stockholders would have been converted had they assented to the consolidation or merger shall have the status of authorized and unissued shares of the surviving or resulting corporation.

Subchapter 10. Sale of Assets; Dissolution

§ 281. Sale, lease or exchange of assets; consideration

Every corporation may, by resolution of its board of directors, sell, lease or exchange all of its property and assets, including its good will, upon such terms and conditions and for such price, rent or property, which may be in whole or in part shares of stock in, and/or other securities of, any other corporation or corporations, as its board of directors deems expedient and for the best interests of the corporation and all the stockholders thereof, when and as authorized by the affirmative vote of the holders of a majority of the stock issued and outstanding having voting power given at a stockholders' meeting duly called for that purpose, or when authorized by the written consent of the holders of a majority of the voting stock issued and outstanding. The articles of incorporation may require the vote or written consent of the holders of a larger proportion of the stock issued and outstanding but in no event more than three-fourths thereof.

§ 282. Surrender of corporate rights before payment of capital and beginning business

Before the payment of any part of the capital and before beginning business for which the corporation was created, the incorporators named in the articles of incorporation, or a majority of them, may surrender all their corporate rights and franchises, by filing in the office of the Lieutenant Governor a certificate, verified by the oath or affirmation of a majority of the incorporators named in the articles of incorporation, that no part of the capital has been paid and the business has not been begun, and surrendering all rights and franchises, and thereupon the corporation shall be dissolved. A certified copy of the certificate shall be filed in the office of the clerk of the district court in the judicial division in which the original articles of incorporation were filed.

§ 283. Dissolution; procedure

(a) If in the judgment of the board of directors, it is deemed advisable and beneficial for the corporation that it should be dissolved, the board, within twenty days after the adoption of a resolution to that effect by a majority of the whole board at any meeting called for that purpose, of which meeting every director shall have received at least three days' notice, shall cause notice of the adoption of the resolution to be mailed to each stockholder of record having voting power, and also beginning with said twenty days cause a like notice to be published in a newspaper of general circulation published in the United States Virgin Islands, at least four weeks successively, once a week, next preceding the time appointed for the same, of a meeting of the stockholders to be held at the office of the corporation, to take action upon the resolution so adopted by the board of directors, which meeting shall be convened between the hours of ten o'clock in the forenoon and three o'clock in the afternoon of the day so named and which meeting may, on the day so appointed by consent of a majority in interest of the

stockholders present, be adjourned from time to time, for not less than eight days at any one time, of which adjourned meeting notice by advertisement in said newspaper shall be given.

(b) If, at any such meeting, two-thirds of all the stockholders having voting power shall consent that a dissolution shall take place and signify their consent in writing, such consent, together with a list of the names and residence of the directors and officers, certified by the president and the secretary or treasurer, shall be filed in the office of the Lieutenant Governor.

(c) The Lieutenant Governor, upon being satisfied by due proof that the requirements aforesaid have been complied with, shall issue a certificate that such consent has been filed, and the board of directors shall cause such certificate to be published four weeks consecutively, at least once a week, in a newspaper of general circulation; and upon the filing in the office of the Lieutenant Governor of an affidavit that the said certificate has been so published, the corporation shall be dissolved and the directors shall proceed to settle up and adjust its business and its affairs as provided in sections 285 and 286 of this title.

(d) Whenever all the stockholders shall consent in writing to a dissolution, no meeting or notice thereof shall be necessary, but on filing such consent in the office of the Lieutenant Governor he shall forthwith issue a certificate of dissolution, which shall be published as above provided.

(e) Whenever the Lieutenant Governor issues a certificate of dissolution it shall be filed in the office of the clerk of the district court in the judicial division in which the principal office of the corporation was maintained.

(f) Whenever a corporate or trade name has been abandoned through dissolution or otherwise for 5 consecutive years or more, the Lieutenant Governor shall make such names available to any new business or corporation or businesses or corporations desiring the use of such names.

§ 284. Payment of taxes before dissolution

No certificate of dissolution shall be issued under the provisions of section 283 of this title until all taxes, penalties or fees due to or assessable by Government of the United States Virgin Islands have been paid by the corporation and the Commissioner of Finance shall have so certified.

§ 285. Continuation of corporation after dissolution for purposes of actions and winding up affairs

All corporations, whether they expire by their own limitation or are otherwise dissolved, shall nevertheless be continued, for the term of three years from such expiration or dissolution, bodies corporate for the purpose of prosecuting and defending actions by or against them, and of enabling them gradually to settle and close their business, to dispose of and convey their property, and to divide their capital stock, but not

for the purpose of continuing the business for which the corporation shall have been established. With respect to any action or proceeding begun or commenced by or against the corporation prior to the expiration or dissolution and with respect to any action or proceeding begun or commenced by or against the corporation within three years after the date of the expiration or dissolution, the corporation shall, only for the purpose of such actions or proceedings so begun or commenced, be continued bodies corporate beyond the three-year period and until any judgments, orders, or decrees therein shall be fully executed.

§ 286. Directors as trustees of dissolving corporation

(a) Upon the dissolution in any manner of any corporation the directors then in office shall be liquidating trustees thereof, with full power to settle the affairs, collect the outstanding debts, sell and convey the property and divide the moneys and other property among the stockholders, after paying its debts as far as such money and property shall enable them; they shall have power to meet and act under the bylaws of the corporation and, under regulations to be made by a majority of said trustees, to prescribe the terms and conditions of the sale of such property, and may sell all or any part for cash, or partly on credit, or take mortgages and bonds for part of the purchase price for all or any part of said property.

(b) The directors, constituted liquidating trustees as aforesaid, shall have authority to sue for and recover the aforesaid debts and property, by the name of the corporation, and shall be suable by the same name, or in their own names or individual capacities for the debts owing by such corporation, and shall be jointly and severally responsible for such debts, to the amount of the moneys and property of the corporation which shall come to their hands or possession as such trustees.

§ 287. Appointment of trustees by court on creditor's or stockholder's application

When any corporation shall be dissolved in any manner whatever, the district court, on application of any creditor or stockholder at any time, may either continue the directors as liquidating trustees as aforesaid, or appoint one or more persons to be receivers of such corporation, to take charge of the estate and effects thereof and to collect the debts and property due and belonging to the corporation, with power to prosecute and defend, in the name of the corporation or otherwise, all actions necessary or proper for the purpose aforesaid, and to appoint an agent or agents under them, and to do all other acts which might be done by such corporation, of its unfinished business; and the powers of such trustees or receivers may be continued as long as the court shall think necessary for such purpose.

§ 288. Revocation or forfeiture of articles of incorporation; proceedings

(a) An action for any one or more of the following causes, to procure a judgment dissolving a corporation created by or under this chapter, and forfeiting its corporate rights and franchises; or its license to do business within the United States Virgin Islands, if it be a foreign corporation, may be maintained in the district court by the United States attorney in the name and in behalf of the government of the United States Virgin Islands, or by a creditor or stockholder upon proof to the court that the United States attorney omits for thirty days after the submission of a verified statement of the facts to maintain such an action -

(1) where the corporation is insolvent, as evidenced by a return of no property found in execution, or by a judgment or decree in insolvency proceedings or an adjudication of bankruptcy; or

(2) where it has suspended its ordinary and lawful business, for at least one year; or

(3) where it is a party to an illegal combination in restraint of trade; or

(4) where the law imposes the penalty of dissolution; or

(5) where it has violated any provision of the law under which it was incorporated; or

(6) where it has done or omitted any act which amounts to a surrender of its corporate rights, privileges, and franchises; or

(7) where it exercises a right, privilege, or franchise not conferred upon it by law; or

(8) where the incorporation, or any renewal or modification thereof, was procured by a fraudulent suggestion or concealment of a material fact by any of the persons incorporated or with their knowledge and consent.

(b) If it is determined that a corporation against which an action has been commenced under this section has forfeited its corporate rights, privileges, and franchises, judgment shall be given that such corporation be excluded therefrom, and that the corporation be dissolved.

(c) A judgment in any action under this section in respect to costs may be enforced by execution as a judgment which requires the payment of money. In all other respects, obedience to the judgment may be enforced by attachment of the body of any or all of the officers or members of the defendant corporation who refuse or neglect obedience thereto.

(d) The district court shall have power, by appointment of receivers or otherwise, to administer and liquidate the affairs of any corporation, whose articles of incorporation shall be revoked or forfeited under the provisions of this section, and to make such orders and decrees with respect thereto as shall be just and equitable respecting its affairs, business property and assets and the rights of the stockholders and creditors thereof.

(e) No proceeding shall be instituted under this section for non-use of any corporation's powers, privileges or franchises during the first two years after its incorporation.

§ 289. Filing decree of forfeiture or dissolution

Whenever any corporation is dissolved or its articles of incorporation forfeited by decree or judgment of a competent court, a certified copy of the decree or judgment shall be forthwith filed in the office of the Lieutenant Governor by the clerk of the court in which the decree or judgment shall be entered.

§ 290. Wages; preferred liabilities

In the administration, liquidation or distribution of the property of any corporation upon its voluntary or involuntary dissolution, or upon revocation of its articles of incorporation or forfeiture of its corporate existence, after payment of necessary costs and expenses of preserving its assets, wages or commissions earned by employees or salesmen of the corporation within six months before the date of such dissolution, revocation or forfeiture of its corporate existence, shall have priority over unsecured creditors. The terms "employees" or "salesmen" shall not be construed to include any of the officers of the corporation.

Subchapter 11. Renewal, Revival, Extension and Restoration of Articles

§ 311. Revocation of voluntary dissolution

(a) At any time prior to the expiration of three years following the dissolution of a corporation pursuant to the provisions of section 283 of this title, a corporation may revoke the voluntary dissolution proceeding theretofore taken by proceeding in the following manner -

(1) The board of directors shall adopt a resolution recommending that the voluntary dissolution proceedings be revoked and directing that the question of the revocation be submitted to a vote at a special meeting of stockholders.

(2) Notice of the meeting, stating that the purpose or one of the purposes of the meeting is to consider the advisability of revoking the voluntary proceedings, shall be mailed, by first class mail to each stockholder having voting power, at least 20 days before the date fixed in the notice for the meeting.

(3) At the meeting a vote of the stockholders entitled to vote thereat shall be taken on a resolution to revoke the voluntary dissolution proceedings, which shall require for its adoption the affirmative vote of the holders of at least two-thirds of all the stock having voting power.

(4) Upon the adoption of the resolution, a statement of revocation of voluntary dissolution proceedings shall be executed by the corporation by its president or a vice-president and by its secretary or an assistant secretary, and verified by one of the officers signing the statement, which statement shall set forth -

(A) the name of the corporation;

(B) the names and respective addresses of its officers;

(C) the names and respective addresses of its directors;
(D) a copy of the resolution adopted by the stockholders revoking the voluntary dissolution proceedings previously taken by the corporation;
(E) the number of shares outstanding having voting power; and
(F) the number of shares voted for and against the resolution, respectively.

(b) In lieu of the proceeding specified in subsection (a) of this section, the voluntary dissolution proceedings theretofore taken by a corporation may be revoked by proceeding in the following manner -

Upon the execution of a consent in writing, signed by all the stockholders having voting power, to a revocation of the voluntary dissolution proceedings previously taken by the corporation, no meeting of directors or stockholders shall be necessary, but the consent shall be filed in the office of the Lieutenant Governor, accompanied by a statement executed by the corporation by its president or a vice-president and by its secretary or an assistant secretary, and verified by one of the officers signing the statement, setting forth -

(A) the name of the corporation;
(B) the names and respective addresses of its officers;
(C) the names and respective addresses of its directors;
(D) a copy of the written consent signed by all stockholders having voting power revoking the voluntary dissolution proceedings; and

(E) that the written consent has been signed by all stockholders of the corporation having voting power or signed in their names by their attorney or attorneys thereunto duly authorized.

(c) Upon the filing in the office of the Lieutenant Governor of a statement of revocation of voluntary dissolution proceedings, whether by vote of the stockholders or by unanimous written consent, the Lieutenant Governor upon being satisfied that the requirements of this section have been complied with, shall issue his certificate that the voluntary dissolution proceedings previously taken by the corporation have been revoked, and the certificate of the Lieutenant Governor shall be filed in the office of the clerk of the district court in the judicial division in which the principal office of the corporation was maintained, and thereupon the revocation of the voluntary dissolution proceedings shall become effective and the corporation may again carry on its business.

(d) If, after the dissolution proceedings become effective, any other corporation organized under the laws of the United States Virgin Islands shall have adopted the same name as the corporation, or shall have adopted a name so nearly similar thereto as not to distinguish it from the corporation, then, in such case, the corporation shall not be reinstated under the same name which it bore when its dissolution proceedings became effective, but shall adopt and be reinstated under some other name which, under existing law, could be adopted by a corporation formed and organized under the provisions of this chapter, and in

such case the certificate to be filed under the provisions of this section shall set forth the name borne by the corporation at the time its dissolution proceedings became effective and the new name under which the corporation is to be reinstated.

(e) Nothing in this section shall be construed to terminate or affect the authority or power of the district court in any proceeding under this chapter.

§ 312. Renewal, revival, extension, etc., of corporate existence

(a) Any corporation existing under the laws of the United States Virgin Islands may, at any time before the expiration of the time limited for its existence and any corporation existing under the laws of the United States Virgin Islands whose articles of incorporation have become inoperative by law and any corporation existing under the laws of the United States Virgin Islands whose articles of incorporation have expired by reason of failure to renew the same or whose articles of incorporation have been renewed, but, through failure to comply strictly with the provisions of this chapter, the validity of such renewal has been brought into question, may at any time procure an extension, restoration, renewal or revival of its articles of incorporation, subject to all of its duties, debts and liabilities which had been secured or imposed by its original articles of incorporation and all amendments thereto.

(b) The extension, restoration, renewal or revival of the articles of incorporation may be procured by filing with the Lieutenant Governor a certificate of any two of its last acting officers or other officers to be elected as provided in subsection (h) of this section, duly sworn or affirmed to by such officers before any person authorized by the laws of the United States Virgin Islands to administer oaths. The certificate shall not be executed by any officer and his assistant officer, as for instance a secretary and an assistant secretary, and the two officers executing the certificate shall not be one and the same person.

(c) The certificate prescribed in subsection (b) of this section shall state -

(1) the name of the corporation, which name shall be the existing name of the corporation or the name it bore when its articles of incorporation expired, except as otherwise provided in subsection (f) of this section;

(2) the name of the town and the address therein at which its principal office or place of business within the United States Virgin Islands is located and the name and address within the United States Virgin Islands of its resident agent;

(3) whether or not the renewal, restoration or revival is to be perpetual and if not perpetual the time for which the renewal, restoration or revival is to continue and, in case of renewal before the expiration of the time limited for its existence, the date when the renewal is to commence, which shall be prior to the date of the expiration of the old articles of incorporation which it is desired to renew;

(4) that the corporation desiring to be renewed or revived and so renewing or reviving its articles of incorporation was duly organized under the laws of the United States Virgin Islands;

(5) the date when the articles of incorporation of the corporation would expire, if such is the case, or such other facts as may show that the articles of incorporation have become inoperative or void or that the validity of any renewal has been brought into question; and

(6) that the certificate for renewal or revival is filed by authority of those who were directors or managers of the corporation at the time its articles of incorporation expired or who were elected directors or managers of the corporation as provided in subsection (h) of this section.

(d) The certificate shall be filed in the office of the Lieutenant Governor, who shall furnish a certified copy of the same under his hand and seal of office. The certified copy shall be filed in the office of the clerk of the district court in the judicial division in which the principal office of the corporation is maintained. The certificate or a copy thereof duly certified by the Lieutenant Governor shall be evidenced in all courts of the United States Virgin Islands.

(e) Upon the filing of the certified copy the corporation shall be renewed and revived with the same force and effect as if its articles of incorporation had not become inoperative and void or had not expired by limitation. Such reinstatement shall validate all contracts, acts, matters and things made, done and performed within the scope of its articles of incorporation by the corporation, its officers and agents during the time when its articles of incorporation were inoperative or void or after its expiration by limitation, with the same force and effect and to all intents and purposes as if the articles of incorporation had at all times remained in full force and effect. All real and personal property, rights and credits, which belonged to the corporation at the time its articles of incorporation became inoperative or void, or expired by limitation and which were not disposed of prior to the time of its revival or renewal shall be vested in the corporation, after its revival and renewal, as fully and amply as they were held by the corporation at and before the time its articles of incorporation became inoperative or void or expired by limitation, and the corporation after its renewal and revival shall be as exclusively liable for all contracts, acts, matters and things made, done or performed in its name and on its behalf by its officers and agents prior to its reinstatement, as if its articles of incorporation had at all times remained in full force and effect.

(f) If, after the articles of incorporation became inoperative or void for nonpayment of taxes or expired by limitation, any other corporation organized under the laws of the United States Virgin Islands shall have adopted the same name as the corporation sought to be renewed or revived or shall have adopted a name so nearly similar thereto as not to distinguish it from the corporation renewed or revived under the provisions of this section, then, in such case, the renewed or revived

corporation shall not be renewed under the same name which it bore when its articles of incorporation became inoperative or void or expired but shall adopt and be renewed under some other name which, under existing law, could be adopted by a corporation formed and organized under the provisions of this chapter and in such case the certificate to be filed under the provisions of this section shall set forth the name borne by the corporation at the time its articles of incorporation became inoperative or void or expired and the new name under which the corporation is to be renewed or revived.

(g) Any corporation seeking to renew or revive its articles of incorporation under the provisions of this chapter shall pay to the Government of the United States Virgin Islands in lieu of and in full satisfaction of all taxes and penalties thereon due such government a sum equal to all taxes and penalties thereon due at the time its articles of incorporation became inoperative and void for nonpayment of taxes, or expired by limitation or otherwise.

(h) If only one or more of the last acting officers of any corporation desiring to renew or revive its articles of incorporation is available by reason of death, unknown address or refusal or neglect to act at the time of its renewal, the directors of the corporation, or those remaining on the board if not less than three, may elect a successor to the officer or officers who are dead or whose addresses are unknown or who refuse or neglect to act. In any case where there shall be less than three directors of the corporation available for the purposes aforesaid, by reason of death, unknown address or refusal or neglect to act, the stockholders of the corporation may elect as many directors as may be necessary, together with the directors who are ready and willing to act, to constitute a board of three directors or they may elect a full board of directors, as provided by the bylaws of the corporation, and the board may elect successors to the officers who are deceased or whose addresses are unknown or who refuse or neglect to act. A meeting of the directors of the corporation for the election of officers may be called by any officer or any director upon ten days' written notice delivered personally or mailed to the last known post-office address of each director. A meeting of the stockholders for the purpose of electing directors may be called by any officer, director or stockholder upon ten days' written notice delivered or mailed to the last known post-office address of each stockholder. Any two of the officers may then take all steps and do all things necessary and proper to be done for the renewal or revival of the existence of the corporation as provided in this section.

(i) After a renewal or revival of the articles of incorporation of the corporation shall have been effected, the two officers who signed the certificate of renewal or revival shall, jointly, forthwith call a meeting of the stockholders of the corporation upon not less than ten days' written notice, and at the meeting the stockholders shall elect a full board of directors, which board shall then elect such officers as are

provided by law, by the articles of incorporation or the bylaws to conduct and carry on the business of the corporation.

§ 313. Status of corporation

Any corporation desiring to renew, extend and continue its corporate existence shall, upon complying with the provisions of section 312 of this title, be and continue for the time stated in its certificate of renewal a corporation and shall, in addition to the rights, privileges and immunities conferred by its original articles of incorporation, possess and enjoy all the benefits of this chapter which are applicable to the nature of its business, and shall be subject to the restrictions and liabilities by this chapter imposed on such corporations.

Subchapter 12. Suits Against Corporations, Directors, Officers or Stockholders

§ 341. Jurisdiction of District Court of the Virgin Islands

The District Court of the United States Virgin Islands shall have jurisdiction over the directors, managers, trustees and other officers of a corporation organized under this chapter, and of any foreign corporation admitted to do business in the Virgin Islands, to -

(1) compel such directors, managers, trustees and other officers to account for their official conduct in the management and disposition of the funds, property and business committed to their charge;

(2) order, decree and compel payment by them to the corporation which they represent, and to its creditors of all sums of money and all the value of all property which they may have acquired to themselves, or transferred to others, or may have lost or wasted by any violation of their duties or abuse of their powers, by such directors, managers, trustees or other officers of such corporation;

(3) enjoin any director, trustee, manager or other officer from exercising his office whensoever it shall appear that he has abused his trust;

(4) remove any such director, trustee or other officer upon proof or conviction of gross misconduct;

(5) direct, if necessary, new elections to be held by the body or board or stockholders, duly authorized for that purpose, to supply any vacancy created by such removal, and at such election no person so removed or suspended shall be eligible as a director, trustee or other officer of such corporation; and

(6) restrain and prevent any alienation of property of the corporation by said directors, trustees or other officers in cases where it may be threatened, or there is good reason to apprehend that it is intended to be made in fraud of the rights and interests of such corporation.

§ 342. Institution of actions under section 341

An action as prescribed in section 341 of this title may be brought by the United States attorney in behalf of the Government of the United States Virgin Islands or by a creditor or stockholder of the corporation, or by a trustee, director, manager, or other officer of the corporation, having a general superintendence of its concerns.

§ 343. Failure of corporation to obey court order; appointment of receiver

Whenever any corporation refuses, fails, or neglects to obey any order or decree of a competent court within the time fixed by the court for its observance, such refusal, failure or neglect shall be a sufficient ground for the appointment of a receiver of the corporation. If the corporation be a foreign corporation, such refusal, failure or neglect shall be a sufficient ground for the appointment of a receiver of the assets of the corporation within the United States Virgin Islands.

§ 344. Actions against officers, directors or stockholders to enforce liability of corporation; unsatisfied judgment against corporation

(a) When the officers, directors or stockholders of any corporation are liable to pay the debts of the corporation, or any part thereof, any action to enforce such liability shall be a class action for the benefit of all creditors to which the corporation if in existence shall be a party.

(b) No suit shall be brought against any officer, director or stockholder for any debt or liability of a corporation, of which he is an officer, director or stockholder, until judgment be obtained therefor against the corporation, nor after three years from the date of such judgment and any such officer, director or stockholder may set up any defense which the corporation might have asserted against such debt or liability. The subsection does not apply to suits brought against officers or directors of a corporation in dissolution or liquidation for maladministration of their duties under subchapter X of this chapter.

§ 345. Liabilities of corporations; impairment by certain transactions

The liability of corporations created under the laws of the United States Virgin Islands or of the stockholders, directors or officers thereof, or the rights or remedies of the creditors thereof, or of persons doing or transacting business with the corporation, shall not in any way be lessened or impaired by the sale of the control or assets thereof, or by the increase or decrease in the capital stock of any such corporation, or by the consolidation or merger of two or more corporations, or by any change or amendment in the articles of incorporation except, with respect to the liability of directors for any change or amendment to add provisions authorized by section 2(b)(4) of this title.

§ 346. Defective organization as a defense

(a) No corporation organized under the laws of the United States Virgin Islands shall be permitted to set up, or rely upon the want of legal organization as a defense to any action against it, and no person transacting business with the corporation, or sued for injury done to its property, shall be permitted to rely upon such want of legal organization as a defense.

(b) This section shall not be construed to prevent judicial inquiry into the regularity or validity of the organization of the corporation or its lawful possession of any corporate power it may undertake to assert in any other action or proceeding where its corporate existence or the power to exercise the corporate rights it asserts is challenged, and evidence tending to sustain the challenge shall be admissible in any such action or proceeding.

§ 347. Usury as a defense

No corporation or general or limited partnership shall plead any law against usury in any court as a defense in any action instituted to enforce the payment of any bond, note or other evidence of indebtedness issued or assumed by such entity.

§ 348. Service of process on corporations

In case legal process against a corporation cannot by due diligence be served upon any person authorized to receive it, such process, including the complaint, may be served in duplicate upon the Lieutenant Governor, which service shall be effectual for all purposes of law. Within two days after service upon the Lieutenant Governor, he shall notify the corporation thereof by letter directed to the corporation at its last registered office, in which letter shall be enclosed a copy of the process, the complaint or other papers served. In any action in which the process shall be so served the plaintiff shall pay to the Lieutenant Governor the sum of five dollars (\$5.00), which sum shall be taxed as a part of the costs in the action if the plaintiff shall prevail therein. The Lieutenant Governor shall enter alphabetically in a process book, kept for that purpose, the name of plaintiff and defendant, the title and number, if any, of the cause in which process has been served upon him, and day and hour when the service was made.

Subchapter 13. Annual Reports To Be Filed by Domestic and Foreign Corporations

§ 371. Domestic corporations; annual reports

(a) Every corporation created under the laws of the United States Virgin Islands shall file annually in the office of the Lieutenant Governor, a report authenticated by the signature of the president or the vice-president and of the treasurer or the assistant treasurer. The report shall contain -

(1) a true and exact statement of the amount of the corporation's capital which is used in conducting business within the United States Virgin Islands;

(2) a true and exact general balance sheet showing the financial condition of the corporation at the close of its last fiscal year;

(3) a profit and loss statement for the last fiscal year of the corporation; and

(4) such other information relating thereto as may be required by the Lieutenant Governor.

There shall be included in the report a list of the names and addresses of all the directors and officers of the corporation and the expiration of their terms of office.

The reporting requirements of paragraphs (2) and (3) of this subsection shall not apply to VIFSC as defined in chapter 12 of this title.

(b) Every corporation required to file an annual report pursuant to this section shall submit such report as prescribed by the provisions of section 531(b) of this title.

§ 372. Penalties for failure to file report

If the corporation fails to render such report, or to amend it whenever the Lieutenant Governor finds the report incomplete or unsatisfactory and requires that it be amended, the Lieutenant Governor shall refer the matter to the United States attorney who may institute a criminal action against the corporation. If convicted, the corporation shall be fined not more than \$500 and costs; and the court shall order the directors and the officers of the corporation to file or amend the report or the copy, as the case may be, within the time specified in such order. Failure to obey the order shall be punished as contempt of court.

§ 373. Foreign corporations; annual reports

Every foreign corporation which has qualified to do business in the Virgin Islands shall file annually in the office of the Lieutenant Governor, not later than April 15, a report authenticated by the signature of the president or the vice-president and of the treasurer or the assistant treasurer. The report shall contain -

(1) a true and exact statement of the amount of the corporation's capital which is used in conducting business within the Virgin Islands;

(2) a true and exact general balance sheet showing the financial condition of the corporation at the close of its last fiscal year;

(3) a profit and loss statement for the last fiscal year of the corporation; and

(4) such other information related thereto as may be required by the Lieutenant Governor.

There shall be included in the report a list of the names and addresses of all the directors and officers of the corporation and the expiration dates of their terms of office.

§ 374. Penalties; revocation of authorization

If any foreign corporation fails to file the report required by section 373 of this title, or refuses to file or to amend such report whenever the Lieutenant Governor finds the report incomplete or unsatisfactory and requires that it be amended, the Lieutenant Governor shall refer the matter to the United States attorney, who may institute a criminal action against the corporation. If convicted, the corporation shall be fined not more than \$500 and costs. The court shall also suspend the authorization of the corporation to do business in the United States Virgin Islands, and shall order the corporation to file or amend the report or the copy, as the case may be, within the time specified in the order. Failure to obey such order shall be cause for revocation of the authorization granted to the corporation to do business in the United States Virgin Islands. Any corporation doing business in the United States Virgin Islands after the suspension or revocation of such authorization shall be subject to the penalties prescribed by section 406 of this title.

§ 375. Extensions

The Lieutenant Governor may, in special cases, grant an extension of time that shall not exceed thirty days from the date fixed for the filing of the annual reports of domestic or foreign corporations doing business in the United States Virgin Islands. The extension will be granted only after it has been determined, upon application filed on time, that the corporation will not be able, for good and sufficient reasons, to file its annual report within the time fixed by law. The provisions of section 372 or 374 of this title, whichever is applicable, shall be applied to any corporation that has been granted an extension of time but has failed to file its annual report within such extended time.

Subchapter 14. Foreign Corporations

§ 401. Qualification to do business in the Virgin Islands

(a) No corporation created by the laws of any foreign country or any state of the United States, or the laws of the United States, shall do any business in the United States Virgin Islands through or by branch offices, agents or representatives located in the United States Virgin Islands until it shall have filed in the office of the Lieutenant Governor a certified copy of its charter or certificate of incorporation, a certificate signed by its president or vice president and under its corporate seal, attested by its secretary or assistant secretary, stating the name of its authorized agent in the United States Virgin Islands upon whom service of legal process against it may be made, and a sworn statement of the assets, liabilities and capital stock (both authorized and paid up) of the corporation at the close of its last fiscal year. For filing said documents the

Lieutenant Governor shall charge the fees prescribed in section 431(a)(8) of this title.

(b) The certificate of the Lieutenant Governor under his seal of office, of the filing of the charter or certificate of incorporation and other documents required shall be delivered to the agent of the corporation upon the payment to the Lieutenant Governor of the usual fees for making certified copies, and the certificate shall be prima facie evidence of the right of the corporation to do business in the United States Virgin Islands.

§ 402. Additional requirements upon amendment of charter, certificate of incorporation, merger, etc.

Every foreign corporation admitted to do business in the United States Virgin Islands which shall amend its charter or articles of incorporation from time to time or shall be a party to a merger or consolidation permitted by the laws of the state under which it is organized, shall, within 30 days after the time the amendment or merger or consolidation becomes effective, file with the Lieutenant Governor duplicate copies of the amendment or a copy of the articles of merger or consolidation, duly certified by the proper officer of the country or state of the United States by which the corporation shall have been incorporated or under the laws of which the merger or consolidation was effected.

§ 403. Exceptions to requirements

No corporation created by the laws of any foreign country or any State of the United States, or the laws of the United States shall be deemed to be doing business in the United States Virgin Islands, nor shall the corporation be required to comply with the provisions of sections 401 and 402 of this title under the following conditions, or any of them, namely if -

(1) it is in the mail order or a similar business, merely receiving orders by mail or otherwise in pursuance of letters, circulars, catalogs, or other forms of advertising, or solicitation, accepting the orders outside the United States Virgin Islands and filling them with goods shipped into the United States Virgin Islands from without same;

(2) it sells, by contract consummated outside the United States Virgin Islands, and agrees, by the contract, to deliver into from without the United States Virgin Islands machinery, plants or equipment, the construction, erection or installation of which within the United States Virgin Islands requires the supervision of technical engineers or skilled employees performing services not generally available, and as a part of the contract of sale agrees to furnish such services, and such services only, to the vendee at the time of construction, erection or installation.

§ 404. Service of process on foreign corporation

All process issued out of any court of the United States Virgin Islands against any corporation which has qualified to do

business in the United States Virgin Islands, all orders made by any court of the United States Virgin Islands, all rules and notices of any kind required to be served on or given to any corporation, may be served on or given to the agent of the corporation designated in accordance with section 401 or 405 of this title or if at the time such corporation shall have no such agent, then on or to the Lieutenant Governor or an official designated by him to receive such service or notice, and such service or notice shall be as effectual and shall operate as if it had been served on or given to the corporation.

§ 405. Change of agent upon whom process may be served

(a) Any foreign corporation, which has qualified to do business in the Virgin Islands by filing a certificate of the same kind and nature, and executed as required by section 401 of this title, may change its agent and substitute another agent for the purposes of this chapter. Every agent shall at the time of his appointment be an individual resident in the United States Virgin Islands or a corporation located in the United States Virgin Islands.

(b) Any individual or corporation that has been designated by a foreign corporation as its authorized agent for service of process may resign by filing with the Lieutenant Governor a signed statement that he or it is unwilling to continue to act as the agent of the corporation for service of process, including in the statement the post-office address of the corporation. Upon the expiration of 30 days after the filing of the statement with the Lieutenant Governor, the capacity of the individual or corporation, as agent, shall terminate. Upon the filing of the statement, the Lieutenant Governor forthwith shall give written notice, by mail to the corporation of the filing of the statement, which notice shall be addressed to the corporation at the post-office address given in the statement.

(c) If any agent designated and certified as required by section 401 of this title dies or removes from the United States Virgin Islands, or resigns, then the foreign corporation for which the agent had been so designated and certified shall, within ten days after the death, removal or resignation of its agent, substitute, designate and certify to the Lieutenant Governor the name of another agent for the purposes of this chapter and all process, orders, rules and notices mentioned in section 404 of this title may be served on or given to the substituted agent with like effect as is prescribed in said section.

§ 406. Violations and penalties

Any foreign corporation engaged in, prosecuting, or transacting any business of any kind within the United States Virgin Islands without first having complied with sections 401-405 of this title shall be fined not more than \$500 for each such offense. Any agent of any foreign corporation that shall transact any business with the United States Virgin Islands for

any foreign corporation before the foreign corporation has complied with all of said sections, shall be fined not more than \$500 for each such offense.

§ 407. Withdrawal of foreign corporation; service of process

(a) Any foreign corporation which shall have qualified to do business in the United States Virgin Islands under the provisions of section 401 of this title may surrender its authority to do business in the United States Virgin Islands and may withdraw therefrom by filing with the Lieutenant Governor a -

(1) certificate signed by its president or a vice-president and under its corporate seal attested by its secretary or an assistant secretary setting forth (A) that it surrenders its authority to transact business in the United States Virgin Islands and withdraws therefrom; and (B) the address to which the Lieutenant Governor may mail any process against the corporation that may be served upon it; or

(2) copy of a certificate of dissolution issued by the proper official of the country or state of incorporation, certified to be a true copy under the hand and official seal of the official, accompanied by the information required by clause (B) of paragraph (1) of this subsection; or

(3) copy of an order or decree of dissolution made by any court of competent jurisdiction or other competent authority of the country or state of incorporation, certified to be a true copy under the hand of the clerk of the court or other official body, and the official seal of the court or official body or clerk thereof accompanied by the information required by clause (B) of paragraph (1) of this subsection.

(b) The Lieutenant Governor shall, upon payment to him of the fees prescribed in section 431 of this title issue a sufficient number of certificates, under its official seal, evidencing the surrender of the authority of the corporation to do business in the United States Virgin Islands and its withdrawal therefrom. One of the certificates shall be furnished to the corporation withdrawing and surrendering its right to do business in the United States Virgin Islands; one certificate shall be delivered to each agent of the corporation designated as such immediately prior to the withdrawal.

(c) Upon the issuance of the certificates by the Lieutenant Governor, the appointment of the authorized agent or agents of the corporation in the United States Virgin Islands upon whom process against the corporation may be served, shall be revoked and the corporation shall be deemed to have consented that service of process in any action based upon any cause of action arising in the United States Virgin Islands during the time the corporation was authorized to transact business in the United States Virgin Islands, may thereafter be made by service upon the Lieutenant Governor.

(d) In the event of service upon the Lieutenant Governor, the Lieutenant Governor shall forthwith notify the corporation thereof by registered mail directed to the corporation at the

address filed with the Lieutenant Governor as provided in subsection (a)(1)(B) of this section, accompanied by a copy of the process, complaint or other papers served upon him. The plaintiff in any action shall serve process or other papers in duplicate and pay to the Lieutenant Governor the sum of twenty-five dollars (\$25) for the use of the Government of the United States Virgin Islands, which sum shall be taxed as part of the costs in the action, if the plaintiff shall prevail therein. The Lieutenant Governor shall enter alphabetically in a process book, kept for that purpose, the name of plaintiff and defendant, the title and number, if any, of the cause in which process has been served upon him, and the day and hour when the service was made.

(e) No certificates shall be issued under the provisions of this section until all taxes, penalties, or fees due or assessable by the Government of the United States Virgin Islands have been paid by the corporation and the Commissioner of Finance shall have so certified.

Subchapter 15. Fees

§ 431. Fees payable upon filing of articles or other papers

(a) The Lieutenant Governor shall charge and collect, for the use of the Government of the United States Virgin Islands, the following fees upon the receipt for filing of any certificate or other paper relating to corporations -

(1) For filing original articles of incorporation, the fee shall be computed on the basis of one-third of a cent for each share of authorized capital stock having par value up to and including 20,000 shares, one-fourth of a cent for each share in excess of 20,000 shares up to and including 200,000 shares, and one-fifth of a cent for each share in excess of 200,000 shares; one-third of a cent for each share of authorized capital stock without par value up to and including 20,000 shares, one-fourth of a cent for each share in excess of 20,000 shares up to and including 2,000,000 shares, and one-fifth of a cent for each share in excess of 2,000,000 shares. For the purpose of computing the fee on par value stock each \$100 unit of the authorized capital stock shall be counted as one assessable share. Except in the case of a corporation which declares at the time of filing its original articles of incorporation, its intention to elect to become a Virgin Islands foreign sales corporation as defined in subpart C of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1954 (Title 26, United States Code) or to be considered an exempt company as defined in chapter 14 of this title, the fee shall be not less than \$75. In the case of a corporation which does so declare, the fee shall be not less than \$400. In the case of a corporation which, at the time it filed its original articles of incorporation did not declare its intention to elect to become a Virgin Islands foreign sales corporation (including any corporation which filed its original articles of incorporation on or before the effective date of the section of this act which added this sentence), but which subsequently does so elect,

within ten (10) days of such corporation's first such election, said corporation shall pay to the Lieutenant Governor an additional fee of \$500. A corporation which includes in its original articles of incorporation, or in any amendments to such articles a specific statement that it may undertake the business of a "Virgin Islands foreign sales corporation" or that it may elect to become a "Virgin Islands foreign sales corporation" shall be deemed to have declared its intent to elect to become a Virgin Islands foreign sales corporation.

(2) For filing a certificate of amendment of articles of incorporation, or amended articles of incorporation before payment of capital, increasing the authorized capital stock of a corporation, the fee shall be an amount equal to the difference between the fee computed at the foregoing rates upon the total authorized capital stock of the corporation including the proposed increase, and the fee computed at the foregoing rates upon the total authorized capital stock excluding the proposed increase. In no case shall the amount paid be less than \$150.

(3) For filing a certificate of consolidation or merger of two or more corporations, the fee shall be an amount equal to the difference between the fee computed at the foregoing rates upon the total authorized capital stock of the corporation created by the consolidation or merger, and the fee so computed upon the aggregate amount of the total authorized capital stock of the constituent corporations. In no case shall the amount paid be less than \$150.

(4) For filing amended articles of incorporation before payment of capital and not involving an increase of authorized capital stock, or an amendment to the articles of incorporation not involving an increase of authorized capital stock, or a certificate of reduction of capital, or a certificate of retirement of preferred stock, the fee to be paid shall be \$25.

(5) For filing a certificate of dissolution, \$25; a fee of \$25 for certifying to and/or copying the certificate.

(6) For filing a certificate or other paper of surrender and withdrawal from the United States Virgin Islands by a foreign corporation and for certifying to and/or copying the certificate or other paper, a fee of \$100 shall be paid.

(7) For filing any certificate, affidavit, agreement or any other paper provided for by this chapter, for which no fee is specifically prescribed, a fee of \$25 in each case shall be paid.

(8) For filing the documents required of foreign corporations by section 401 of this title, a fee of \$150 shall be paid, which shall include the fee for a certificate of qualification; provided that if the statement or letter as described in section 853(a)(3) of this title is filed with the required documents, the fee shall be \$400.

(9) For certifying to and/or copying articles of incorporation, or any certificate of amendment to articles of incorporation, or any certificate of consolidation or merger, a fee shall be paid computed on the basis of \$2 for affixing the seal of the office and one dollar per page of 30 lines, or any part thereof. In no case shall the fee to be paid be less than \$25.

(10) For filing in the office of the Lieutenant Governor any certificate of change of agent or change of location of the principal office of a corporation, as provided in section 52 of this title, there shall be collected and paid a fee of \$25.

(11) For filing in the office of the Lieutenant Governor any certificate of change of address of resident agent, as provided in section 53 of this title, there shall be collected and paid a fee of \$25.

(12) For filing in the office of the Lieutenant Governor any duplicate certificate of change of resident agent, as provided in section 54 of this title, there shall be collected and paid a fee of \$25 and a further fee of \$25 for each corporation whose resident agent is charged by such certificate.

(13) For filing in the office of the Lieutenant Governor any certificate of resignation of a resident agent, as provided in section 55 of this title, there shall be collected and paid a fee of \$25.00 for each corporation whose resident agent has resigned by such certificate.

(14) For certifying to and/or copying any other form of certificate provided for in this chapter, a fee shall be paid computed on the basis of the provisions of paragraph (9) of subsection (a) of this section.

(15) For issuing certificates of good standing of corporations, there shall be collected and paid a fee of \$25 for each certificate or copy thereof.

(16) For providing and filing a copy of the contract described in sections 780 and 861 of this title, the Office of Lieutenant Governor shall collect a fee of one hundred dollars (\$100).

(17) For filing a certificate of continuation and copy of articles of incorporation prescribed in section 471 of this title, a fee of \$100 plus the fee payable upon the filing of original articles of incorporation shall be paid.

(18) For filing and examining the documents prescribed in section 472(c) of this title, a fee of \$1,100 shall be paid.

(19) For filing the documents prescribed in section 472(d) of this title, an annual fee of \$1,000 shall be paid.

(20) For filing the affidavit prescribed in section 473(c) of this title, a fee of \$400 shall be paid.

(b) For the purpose of computing the fees prescribed in subsection (a)(1)-(3) of this section the authorized capital stock of a corporation shall be considered to be the total number of shares which the corporation is authorized to issue, whether or not the total number of shares that may be outstanding at any one time be limited to a less number.

(c) The Lieutenant Governor may issue and shall collect and receive the fees prescribed in this section on photostatic copies of instruments furnished by his office as well as the original handwritten or typewritten copies thereof.

(d) The fees prescribed by this section shall not apply to cooperative associations incorporated under this section.

§ 432. Applicability of subchapter

This subchapter shall not apply to domestic corporations organized for religious, fraternal, scientific, benevolent, social, charitable, or educational purposes, or to foreign corporations organized for like purposes, when not engaged in the United States Virgin Islands in the lending of money or the conducting of any other business pursuits for profit.

Subchapter 16. Miscellaneous Provisions

§ 451. Application of chapter

(a) Except as provided in Title 9 or chapter 3 of this title, all corporations organized under the laws of the United States Virgin Islands and existing on the date this chapter becomes effective, shall be governed by the provisions of this chapter.

(b) Except as provided in Title 9 or chapter 3 of this title, all corporations to be formed after the date upon which this chapter becomes effective, shall be organized under, and governed by, the provisions of this chapter.

(c) This section shall not be construed as requiring any corporation organized under the laws of the United States Virgin Islands and existing on the date this chapter becomes effective to acquire new articles of incorporation as provided in this chapter.

(d) Section 348 and subchapters I, III, IX, X (except section 290 of said subchapter X), XI, XIII, XIV and XV of this chapter shall not be applicable to banks, foreign banks which have branches established in the United States Virgin Islands, and banks incorporated under the National Bank Act (12 U.S.C. § 21 et seq.), and laws amendatory thereof or supplemental thereto.

§ 452. Rights, liabilities and duties under prior statutes

All rights, privileges and immunities vested or accrued, all liabilities and penalties imposed, all actions pending, and all fees due and payable, prior to the adoption of this chapter, shall not be impaired, diminished or affected by this chapter.

§ 453. Power to amend or repeal reserved; chapter as part of corporation's charter

This chapter may be amended or repealed, at the pleasure of the Legislature, but any amendment or repeal shall not take away or impair any remedy against any corporation under this chapter, or its officers, for any liability which shall have been previously incurred. This chapter and all amendments thereof shall be a part of the charter of every corporation except so far as the same are inapplicable and inappropriate to the objects of the corporation.

§ 454. Preclearance of documents to be filed

Any document required to be filed under this title may be submitted to the Lieutenant Governor for review prior to the time such document is formally filed. The Lieutenant Governor shall determine whether the document is acceptable for filing and, if it is not acceptable, shall state why it is not acceptable. The Lieutenant Governor shall charge a fee for the preclearance of documents.

§ 455. Telephone information service

The Corporate and Trade Name Division of the Office of the Lieutenant Governor shall provide information by telephone to any person who makes a telephone request for the following information:

- (1) The availability of a corporate name;
- (2) Whether a corporation's certificate of incorporation or authority has been voided or revoked;
- (3) The name and address of the registered agent of a corporation;
- (4) The date of incorporation of a domestic corporation, or the date of qualification of a foreign corporation;
- (5) The name and address of a corporation that has filed a trade name;
- (6) Any other information contained in documents filed with the Corporate and Trade Name Division of the Office of the Lieutenant Governor, which, in the discretion of the Lieutenant Governor, is readily available.

Subchapter 17. Transfer of Domicile of Non-United States and Non-Virgin Islands Corporations

§ 471. Transfer of situs and continuation of non-Virgin Islands corporations

(a) As used in this section, the term:

(1) "Corporation" includes any incorporated organization, private law corporation (whether or not organized for business purposes), public law corporation, limited liability company, limited liability partnership, professional corporation, or professional limited liability corporation, partnership, proprietorship, joint venture, foundation, trust, association or similar entity; and

(2) "Non-Virgin Islands corporation" means any corporation, the internal affairs of which are governed by the laws of any jurisdiction other than the United States Virgin Islands, including the laws of the United States, any state, and any other possession or territory of the United States.

(b) Any non-Virgin Islands corporation may transfer its domicile to and be continued in the United States Virgin Islands by filing with the office of the Lieutenant Governor:

(1) A certificate of continuation which shall be executed in accordance with subsection (g) of this section; and

(2) A copy of its articles of incorporation (or the equivalent thereof under applicable law), certified as true and

correct by the appropriate director, officer or government official.

(c) The certificate of continuation shall contain:

(1) The date on which, and jurisdiction where, corporation was first formed, incorporated or otherwise came into being;

(2) The name of the corporation immediately prior to the filing of the certificate of continuation;

(3) The jurisdiction that constituted the seat, siege, social or principal place of business or central administration of the corporation, or any other equivalent thereto under applicable law, immediately prior to the filing of the certificate of continuation.

(4) Amended articles of incorporation of the corporation, or such amendments to its articles of incorporation (or the equivalent under applicable law) as exist immediately prior to the date of the corporation's continuance in the United States Virgin Islands, such that the amended articles of incorporation meet all of the provisions and requirements of section 2 of this title, including any change in name of the corporation, as of the date of the corporation's continuance in the United States Virgin Islands.

(d) Upon filing with the office of the Lieutenant Governor of the certificate of continuation and copy of articles of incorporation, the corporation shall be continued in the United States Virgin Islands, and its domicile, seat, or principal place of business shall be considered to be in the United States Virgin Islands as set forth in its amended articles of incorporation, and the corporation shall thereafter be subject to this title, except that notwithstanding section 6 of this title, the existence of the corporation shall be deemed to have commenced on the date the corporation commenced its existence in the jurisdiction in which the corporation was first formed, incorporated or otherwise came into being.

(e) The continuation of any corporation in the United States Virgin Islands shall not be deemed to affect any obligations or liabilities of the corporation incurred prior to its continuation.

(f) The filing of a certificate of continuation shall not affect the choice of law applicable to the corporation, except that, from the date the certificate of continuation is filed, the laws of the United States Virgin Islands, including this title, shall apply to the corporation to the same extent as if the corporation had been incorporated as a corporation of the United States Virgin Islands on that date.

(g) The certificate of continuation shall be signed by any corporation officer, director, trustee, manager, partner or other person performing functions equivalent to those of an officer or director, however named or described, and who is authorized to sign the certificate of domestication on behalf of the corporation. If the corporation has a seal, the same shall be affixed to the certificate.

§ 472. Temporary transfer of domicile into the United States Virgin Islands

(a) As used in this section:

(1) The term "corporation" shall have the same meanings as set forth in section 471(a) of this title.

(2) "Non-United States corporation" means any corporation, the internal affairs of which are governed by the laws of any jurisdiction other than the United States, any state, the District of Columbia, the United States Virgin Islands, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, or any other possession or territory of the United States.

(3) The terms "officers" and "directors" include, in addition to such persons, trustees, managers, partners and all other persons performing functions equivalent to those of officers and directors, however named or described in any relevant instrument.

(4) The term "emergency condition" shall be deemed to include, but not be limited to, any of the following:

(A) War or other armed conflict;

(B) Revolution or insurrection;

(C) Invasion or occupation by foreign military forces;

(D) Rioting or civil commotion of an extended nature;

(E) Domination by a foreign power;

(F) Expropriation, nationalization or confiscation of a material part of the assets or property of the corporation;

(G) Impairment of the institution of private property (including private property held abroad);

(H) The taking of any action under the laws of the United States whereby persons residing in the jurisdiction, the law of which governs the internal affairs of the corporation, might be treated as "enemies" or otherwise restricted under laws of the United States relating to trading with enemies of the United States;

(I) The immediate threat of any of the foregoing; and

(J) Such other event which, under the law of the jurisdiction governing the internal affairs of the corporation, permits the corporation to transfer its domicile.

(b) Any non-United States corporation may, subject to and upon compliance with this section, transfer its domicile (which term, as used in this section, shall be deemed to refer in addition to the seat, siege, social or principal place of business or central administration of such corporation, or any other equivalent thereto under applicable law) into the United States Virgin Islands, and may perform the acts described in this section, so long as the law by which the internal affairs of such corporation are governed does not expressly prohibit such transfer.

(c) Any corporation that shall propose to transfer its domicile into the United States Virgin Islands shall submit to the Lieutenant Governor for his review, at least 30 days prior to the proposed transfer of domicile, the following:

(1) A copy of its articles of incorporation and bylaws (or the equivalent thereof under applicable law), certified as true and correct by the appropriate director, officer or government official;

(2) A certificate issued by an authorized officer of the jurisdiction the law of which governs the internal affairs of the corporation evidencing its corporate existence;

(3) A list indicating the person or persons who, in the event of a transfer pursuant to this section, shall be the authorized officers and directors of the corporation, together with evidence of their authority to act and their respective executed agreements in writing regarding service of process as set out in subsection (j) of this section;

(4) A certificate executed by the appropriate officer or director of the corporation, setting forth:

(A) The name and address of its registered agent in the United States Virgin Islands;

(B) A general description of the business in which it is engaged;

(C) That the filing of such certificate has been duly authorized by any necessary corporate action and does not violate the certificate of incorporation or bylaws (or equivalent thereof under applicable law) or any material agreement or instrument binding on such corporation;

(D) A list indicating the person or persons authorized to sign the written communications required by subsection (e) of this section;

(E) An affirmation that such transfer is not expressly prohibited under the law by which the internal affairs of the corporation are governed; and

(F) An undertaking that any transfer of domicile into the United States Virgin Islands will take place only in the event of an emergency condition in the jurisdiction the law of which governs the internal affairs of the corporation and that such transfer shall continue only so long as such emergency condition, in the judgment of the corporation's management, so requires; and

(G) If the corporation is to be considered as an exempt company pursuant to chapter 14 of this title upon the transfer of its domicile to the United States Virgin Islands, a statement to that effect; and

(5) The examination fee prescribed under section 431 of this title. If any of the documents referred to in paragraphs (1) through (5) of this subsection are not in English, a translation thereof, under oath of the translator, shall be attached thereto. If such documents satisfy the requirements of this section, and if the name of the corporation meets the requirements of section 2(a) (1) of this title, the Lieutenant Governor shall notify the corporation that such documents have been accepted for filing, and the records of the Lieutenant Governor shall reflect such acceptance and such notification. In addition, the Lieutenant Governor shall enter the name of the corporation on a list to remain there so long as the corporation is in compliance with this section and no name on such list shall be used by any other domestic or foreign corporation. No document submitted under this subsection shall be available for public inspection pursuant to chapter 33 of Title 3 until, and unless, such corporation effects a transfer of its domicile as provided in this section. The Lieutenant Governor may waive the 30-day period and translation

requirement provided for in this subsection upon request by such corporation, supported by facts (including, without limitation, the existence of any emergency condition) justifying such waiver.

(d) On or before the 1st day of March in each year, prior to the transfer of its domicile as provided for in subsection (e) of this section, during any such transfer and, in the event that it desires to continue to be subject to a transfer of domicile under this section, after its domicile has ceased to be in the United States Virgin Islands, the corporation shall file a certificate executed by an appropriate officer or director of the corporation, certifying that the documents submitted pursuant to this section remain in full force and effect or attaching any amendments or supplements thereto and translated as required in subsection (c) of this section, together with the filing fee prescribed under section 431 of this title. In the event that any corporation fails to file the required certificate on or before the 1st day of March of each year, all certificates and filings made pursuant to this section shall become null and void on the 2nd day of March in such year, and any proposed transfer thereafter shall be subject to all of the required submissions and the examination fee set forth in subsection (c) of this section.

(e) If the office of the Lieutenant Governor has notified the corporation that it has accepted the documents submitted pursuant to subsection (c) of this section for filing, such corporation may transfer its domicile to the United States Virgin Islands at any time by means of a written communication to such effect addressed to the office of the Lieutenant Governor, signed by one of the persons named on the list filed pursuant to subparagraph (D) of paragraph (4) of subsection (c) of this section, and confirming that the statements made pursuant to paragraph (4) of subsection (c) of this section remain true and correct; provided, that if emergency conditions have affected ordinary means of communication, such notification may be made by telegram, telex, telecopy or other form of writing so long as a duly signed duplicate is received by the office of the Lieutenant Governor within 30 days thereafter. The records of the office of the Lieutenant Governor shall reflect the fact of such transfer. Upon the payment to the office of the Lieutenant Governor of the fee prescribed under section 431 of this title, the Lieutenant Governor shall certify that the corporation has filed all documents and paid all fees required by this title. Such certificate of the Lieutenant Governor shall be prima facie evidence of transfer by such corporation of its domicile into the United States Virgin Islands.

(f) Except to the extent expressly prohibited by the laws of the United States Virgin Islands, from and after the time that a non-United States corporation transfers its domicile to the Virgin Islands pursuant to this section, the corporation shall have all of the powers which it had immediately prior to such transfer under the law of the jurisdiction governing its internal affairs and the directors and officers designated pursuant to paragraph (3) of subsection (c) of this section, and their successors, may manage the business and affairs of the

corporation in accordance with the laws of such jurisdiction. Any such activity conducted pursuant to this section shall not be deemed to be doing business within the United States Virgin Islands for purposes of section 401 of this title. Any reference in this section to the law of the jurisdiction governing the internal affairs of a corporation which has transferred its domicile into the United States Virgin Islands shall be deemed to be a reference to such law as in effect immediately prior to the transfer of domicile.

(g) For purposes of any action in the courts of the United States Virgin Islands, no corporation which has obtained the certificate of the office of the Lieutenant Governor referred to in subsection (e) of this section shall be deemed to be an "enemy" person or entity for any purpose, including, without limitation, in relation to any claim of title to its assets, wherever located, or to its ability to institute suit in said courts.

(h) The transfer by any corporation of its domicile into the United States Virgin Islands shall not be deemed to affect any obligation or liabilities of such corporation incurred prior to such transfer.

(i) The directors of any corporation which has transferred its domicile into the United States Virgin Islands may withhold from any stockholder any amounts payable to such stockholder on account of dividends or other distributions, if the directors shall determine that such stockholder will not have the full benefit of such payment, so long as the directors shall make provision for the retention of such withheld payment in escrow or under some similar arrangement for the benefit of such stockholder.

(j) All process issued out of any court of the United States Virgin Islands, all orders made by any kind required to be served on any corporation and notices of any kind required to be served on any corporation which has transferred its domicile into the United States Virgin Islands may be served on the corporation pursuant to section 348 of this title, or any other provision of law, in the same manner as if such corporation were a corporation of the Virgin Islands. The directors of a corporation which has transferred its domicile into the United States Virgin Islands shall agree in writing that they will be amenable to service of process by the same means as, and subject to the jurisdiction of the courts of the Virgin Islands to the same extent as are directors of corporations of the United States Virgin Islands, and such agreements shall be submitted to the office of the Lieutenant Governor for filing before the respective directors take office.

(k) Any corporation which has transferred its domicile into the United States Virgin Islands may voluntarily return to the jurisdiction the law of which governs its internal affairs by filing with the office of the Lieutenant Governor an application to withdraw from the United States Virgin Islands. Such application shall be accompanied by a resolution of the directors of the corporation authorizing such withdrawal and by a certificate of the highest diplomatic or consular officer of such

jurisdiction accredited to the United States indicating the consent of such jurisdiction to such withdrawal. The application shall also contain, or be accompanied by, the agreement of the corporation that it may be served with process in the Virgin Islands in any proceeding for enforcement of any obligation of the corporation arising prior to its withdrawal from the United States Virgin Islands, which agreement shall include the appointment of the Lieutenant Governor as the agent of the corporation to accept service of process in any such proceeding and shall specify the address to which a copy of process served upon the Lieutenant Governor shall be mailed. Upon the payment of any fees and taxes owed to the United States Virgin Islands, the office of the Lieutenant Governor shall file the application and corporation's domicile shall, as of the time of filing, cease to be in the Virgin Islands.

§ 473. Transfer of domicile out of the Virgin Islands

(a) Subject to any limitations or provisions to the contrary in its articles of incorporation, any corporation incorporated under this chapter, or which transfers its domicile into the United States Virgin Islands under this chapter, and for which the Lieutenant Governor would issue a certificate of good standing, may, by a resolution of directors or stockholders, continue as a corporation incorporated under the laws of a jurisdiction outside the United States Virgin Islands in the manner provided under those laws.

(b) A corporation incorporated under this chapter, or which transfers its domicile into the United States Virgin Islands under this chapter, that continues as a corporation incorporated under the laws of a jurisdiction outside the United States Virgin Islands does not cease to be a corporation incorporated under this chapter unless the laws of the jurisdiction outside the United States Virgin Islands permit the continuation and the corporation has complied with those laws.

(c) The resident agent of a corporation incorporated under this chapter, or which transfers its domicile into the United States Virgin Islands under this chapter, that continues as a corporation incorporated under the laws of a jurisdiction outside the Virgin Islands, may, after the continuation of the company under the laws of the foreign jurisdiction, submit to the Lieutenant Governor an affidavit to the effect that the company has continued its incorporation under the laws of the named foreign jurisdiction and the Lieutenant Governor shall file the affidavit. Upon filing of the affidavit, the Lieutenant Governor shall issue a certificate of discontinuance and the corporation shall no longer be liable for annual franchise taxes or other fees.

(d) Where a corporation incorporated under this chapter, or which transfers its domicile into the United States Virgin Islands under this chapter, is continued under the laws of a jurisdiction outside the United States Virgin Islands:

(1) the corporation continues to be liable for all of its claims, debts, liabilities and obligations that existed prior to

its continuation as a corporation under the laws of the jurisdiction outside the United States Virgin Islands;

(2) no conviction, judgment, ruling, order, claim, debt, liability or obligation due or to become due, and no cause existing, against the corporation or against any stockholder, director, officer or agent thereof, is released or impaired by its continuation as a corporation under the laws of the jurisdiction outside the United States Virgin Islands;

(3) no proceedings, whether civil or criminal, pending by or against the corporation, or against any stockholder, director, officer or agent thereof, are abated or discontinued by its continuation as a corporation under the laws of the jurisdiction outside the United States Virgin Islands, but the proceedings may be enforced, prosecuted, settled or compromised by or against the corporation or against the stockholder, director, officer or agent thereof, as the case may be; and

(4) service of process may continue to be effected on the resident agent of the corporation in the United States Virgin Islands in respect of any claim, debt, liability or obligation of the corporation during its existence as a corporation incorporated under this chapter, or when domiciled in the United States Virgin Islands under this chapter.

U.S. VIRGIN ISLANDS CORPORATION FRANCHISE TAX LAW

**VIRGIN ISLANDS CODE
TITLE 13. CORPORATIONS AND ASSOCIATIONS
CHAPTER 5. CORPORATION FRANCHISE TAX**

- § 530. Definitions
- § 531. Rate and computation of franchise tax
- § 531a-531d. [Repealed.]
- § 532. Late payment of tax; penalties
- § 533. Failure to pay tax; penalty
- § 534. Failure to pay tax; enforcement
- § 535. Applicability of chapter

§ 530. Definitions

(a) As used in this chapter:

"V.I. Foreign sales corporation" and VIFSC have the same meanings as those contained under chapter 12 of this title.

(b) For the purposes of this chapter only, a foreign corporation shall be deemed to be doing business in the United States Virgin Islands if it maintains an office in the Virgin Islands.

§ 531. Rate and computation of franchise tax

(a) Every corporation incorporated under the laws of the United States Virgin Islands and every foreign corporation qualified to do or doing business in the United States Virgin Islands shall pay to the Lieutenant Governor for the use of the Government of the United States Virgin Islands, a franchise tax of \$1.50 for each thousand dollars of capital stock used in conducting business in the United States Virgin Islands. The minimum tax for any corporation except a V.I. foreign sales corporation, however, even though no capital or capital stock is so used, shall be \$150.00. The franchise tax for a V.I. foreign sales corporation shall be \$300.00. A full year's tax shall be collected for any portion of any tax year in which the corporation was in existence after December 31, 1993.

(b) Effective January 1, 1989, the franchise tax required by this section shall be filed and paid, together with the filing of the annual report and annual franchise tax report on a form prescribed by the Lieutenant Governor, on or before June 30 of each calendar year, however the first year's estimated tax shall be collected from any corporation except a V.I. foreign sales corporation, in advance, at the time of the corporation's initial incorporation or qualification to do business in the Virgin Islands.

(c) In connection with bonds, obligations or rights issued or granted by the Government, in connection with the Virgin Islands Hurricane Hugo Insurance Claims Fund Program pursuant to Title 22, chapter 10a of this code, the Governor by written declarations or declaration may direct that, so long as such bond, obligations or rights are outstanding, the franchise tax required by this section shall be deposited, upon collection or thereafter, into the Virgin Islands Hurricane Hugo Insurance Claims Fund created pursuant to Title 33, chapter 111, section 3061a, of this code.

(d) In connection with the bonds, notes or other evidences of indebtedness issued by the Government pursuant to Act No. 5883 (Bill No. 20-0164), Section 5, as amended, the Governor by written declarations or declaration may direct that, so long as such bonds, notes or other evidences of indebtedness issued are outstanding, all or any portion of the franchise tax required by this section collected in excess of the amounts necessary to make payment on bonds issued pursuant to Title 22, Chapter 10a, Virgin Islands Code, shall be deposited, upon collection or thereafter, into the St. Croix Economic Development Fund.

§ 531a-531d [Repealed.]

§ 532. Late payment of tax; penalties

Every corporation failing to pay the annual franchise tax as prescribed by sections 531, 531a, 531b, and 531c of this title, shall, in addition to the tax, be liable for a penalty of 20 percent (20%) of the tax or 50%, whichever is greater and interest at 1 percent compounded annually for each month or part thereof that the tax remains unpaid, payable to the Lieutenant Governor.

§ 533. Failure to pay tax; penalty

(a) No corporation qualified to do or doing business in the Virgin Islands may commence or maintain any action in any court if it has not paid its annual franchise tax last due. A certificate of the payment of such annual franchise tax, or any duplicate of such certificate under the seal of the Lieutenant Governor, shall be prima facie evidence of such payment. The Lieutenant Governor shall issue such certificate upon request. Notwithstanding the foregoing provisions, before a pending case may be dismissed, a corporation shall be given a reasonable time to provide proof that arrangements have been made to pay any delinquent franchise taxes once the matter is brought to the court's attention, as it is the purpose of this statute to collect the franchise tax and not simply to dismiss a case. If the proper proof is presented to the court that such arrangements to pay any delinquent franchise taxes have been made with the Lieutenant Governor's Office, a pending case shall be allowed to proceed without being dismissed.

(b) Failure of any corporation to pay its annual franchise tax for a period of one year from and after the date when such payment first became due, shall be prima facie evidence of the insolvency of such corporation and the fact of such insolvency may be shown by the government of the United States Virgin Islands or by any private person or corporation.

(c) The Lieutenant Governor upon determination that any corporation has neglected for a period of one year to pay its annual franchise tax, shall-

(1) if the delinquent corporation is a domestic corporation, make a notification upon the records of his office that such corporation is dissolved and it shall thereupon be dissolved and the directors of such corporation shall hold title to the property of the corporation as trustees for its stockholders and creditors to be disposed of under appropriate court proceedings; or

(2) if the delinquent corporation is a foreign corporation, make a notification upon the records of his office that the authority of such corporation to do business in the United States Virgin Islands is revoked and it shall thereupon be revoked; provided, that no domestic corporation shall be dissolved, and no foreign corporation shall have its authority to do business in the Territory revoked, for the non-payment of franchise taxes which the Government is barred from recovering by the statute of limitations set out in Title 5, section 31, of this Code.

(d) Any corporation thereafter organized may take and shall have the exclusive right to use the corporate name of any corporation so dissolved. Provided, that, no individual or company formerly affiliated with the dissolved corporation may be entitled to use the name of such corporation until all outstanding tax obligations of the dissolved corporation have been satisfied.

(e) No individual or business entity formerly affiliated or associated with a dissolved business entity shall establish a new business entity without first providing written proof to the Corporate Division of the office of the Lieutenant Governor, the Virgin Islands Bureau of Internal Revenue and the Department of Licensing and Consumer Affairs that all outstanding tax obligations of the dissolved entity owed to the Government of the Virgin Islands have been satisfied or that agreement to pay the same has been satisfactorily made.

§ 534. Failure to pay tax; enforcement

The Commissioner of Finance may institute an action in the name of the government of the United States Virgin Islands to enforce the payment of any franchise tax under the provisions of sections 531, 531a, 531b, and 531c of this title, and any penalty

and interest due under the provisions of section 532 of this title.

§ 535. Applicability of chapter

This chapter shall not apply to banks, foreign banks which have branches established in the United States Virgin Islands, and national banking associations, as those institutions are defined by section 1 of Title 9, and to domestic corporations organized for religious, fraternal, scientific, benevolent, social, charitable, or educational purposes, or to foreign corporations organized for like purposes, when not engaged in the United States Virgin Islands in the loaning of money or the conducting of any other business pursuits for profit.