

NEW SECTION. Sec. 8. This 1975 amendatory act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1975.

Passed the House June 7, 1975.

Passed the Senate June 6, 1975.

Approved by the Governor June 30, 1975.

Filed in Office of Secretary of State June 30, 1975.

CHAPTER 264

[Engrossed Senate Bill No. 2334]

CORPORATIONS

AN ACT Relating to corporations; amending and recodifying section 1, chapter 85, Laws of 1965 and RCW 23.01.226 to be recodified as RCW 23A.08.325; amending section 38, chapter 53, Laws of 1965 and RCW 23A.08.350; amending section 44, chapter 53, Laws of 1965 and RCW 23A.08.410; amending section 50, chapter 53, Laws of 1965 and RCW 23A.08.470; and amending section 16, chapter 53, Laws of 1965 and RCW 23A.08.130.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 1, chapter 85, Laws of 1965 and RCW 23.01.226 are each amended and recodified as RCW 23A.08.325 to read as follows:

Neither a domestic or foreign corporation or its registrar or transfer agent shall be liable for transferring or causing to be transferred on the books of the corporation to or pursuant to the direction of the surviving spouse of a deceased husband or wife any share or shares or other securities theretofore issued by the corporation to the deceased or surviving spouse or both of them if the corporation or its registrar or transfer agent shall be provided with the following:

(1) A copy of an agreement which shall have been entered into between the spouses pursuant to the provisions of section 2416 Code of 1881 and RCW 26.16.120 and certified by the auditor of the county in this state in whose office the same shall have been recorded;

(2) A certified copy of the death certificate of the deceased spouse;

(3) A release issued by the inheritance tax division of the tax commission of this state; and

(4) An affidavit of the surviving spouse that:

(a) The shares or other securities constituted community property of the spouses at date of death of the deceased spouse and their disposition is controlled by the community property agreement;

(b) ~~((No proceedings have been instituted or are contemplated to have admitted to probate a will of the decedent or for letters of administration upon the decedent's estate; and that))~~ No proceedings have been instituted to contest or set aside or cancel the agreement; and that

(c) The claims of creditors have been paid or provided for.

Sec. 2. Section 38, chapter 53, Laws of 1965 and RCW 23A.08.350 are each amended to read as follows:

The number of directors of a corporation shall be not less than three, except that in cases where all shares of a corporation are owned of record by fewer than three shareholders, the number of directors may be less than three but not less

than the number of such shareholders. Subject to such limitation, the number of directors shall be fixed by the bylaws, except as to the number constituting the initial board of directors, which number shall be fixed by the articles of incorporation. The number of directors may be increased or decreased from time to time by amendment to the bylaws, but no decrease shall have the effect of shortening the term of any incumbent director. In the absence of a bylaw fixing the number of directors, the number shall be the same as that stated in the articles of incorporation. The names and addresses of the members of the first board of directors shall be stated in the articles of incorporation. Such persons shall hold office until the first annual meeting of shareholders, and until their successors shall have been elected and are qualified, unless removed in accordance with the provisions of the bylaws. At the first annual meeting of shareholders and at each annual meeting thereafter the shareholders shall elect directors to hold office until the next succeeding annual meeting, except in case of the classification of directors as permitted by this title. Each director shall hold office for the term for which he is elected and until his successor shall have been elected and is qualified, unless removed in accordance with the provisions of the bylaws.

Sec. 3. Section 44, chapter 53, Laws of 1965 and RCW 23A.08.410 are each amended to read as follows:

Meetings of the board of directors, regular or special, may be held either within or without this state.

Regular meetings of the board of directors or of any committee designated by the bylaws or appointed by the board of directors may be held with or without notice as prescribed in the bylaws. Special meetings of the board of directors shall be held upon such notice as is prescribed in the bylaws. Attendance of a director or a committee member at a meeting shall constitute a waiver of notice of such meeting, except where a director or a committee member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors or any committee designated by the bylaws or appointed by the board of directors need be specified in the notice or waiver of notice of such meeting unless required by the bylaws.

Except as may be otherwise restricted by the articles of incorporation or bylaws, members of the board of directors or any committee designated by the bylaws or appointed by the board of directors may participate in a meeting of such board or committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

Sec. 4. Section 50, chapter 53, Laws of 1965 and RCW 23A.08.470 are each amended to read as follows:

The officers of a corporation shall consist of a president, one or more vice-presidents as may be prescribed by the bylaws, a secretary, and a treasurer, each of whom shall be elected by the board of directors at such time and in such manner as may be prescribed by the bylaws. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the

board of directors or chosen in such other manner as may be prescribed by the bylaws. Any two or more offices may be held by the same person, except the offices of president and secretary, except that when all of the issued and outstanding stock of the corporation is owned of record by one person, such person may hold all or any combination of offices.

All officers and agents of the corporation, as between themselves and the corporation, shall have such authority and perform such duties in the management of the corporation as may be provided in the bylaws, or as may be determined by resolution of the board of directors not inconsistent with the bylaws.

Sec. 5. Section 16, chapter 53, Laws of 1965 and RCW 23A.08.130 are each amended to read as follows:

(1) If the articles of incorporation so provide, the shares of any preferred or special class may be divided into and issued in series. If the shares of any such class are to be issued in series, then each series shall be so designated as to distinguish the shares thereof from the shares of all other series and classes. Any or all of the series of any such class and the variations in the relative rights and preferences as between different series may be fixed and determined by the articles of incorporation, but all shares of the same class shall be identical except as to the following relative rights and preferences, as to which there may be variations between different series:

- (a) The rate of dividend.
- (b) Whether shares may be redeemed and, if so, the redemption price and the terms and conditions of redemption.
- (c) The amount payable upon shares in event of voluntary and involuntary liquidation.
- (d) Sinking fund provisions, if any, for the redemption or purchase of shares.
- (e) The terms and conditions, if any, on which shares may be converted.
- (f) Voting rights, if any.

(2) If the articles of incorporation shall expressly vest authority in the board of directors, then, to the extent that the articles of incorporation shall not have established series and fixed and determined the variations in the relative rights and preferences as between series, the board of directors shall have authority to divide any or all of such classes into series and, within the limitations set forth in this section and in the articles of incorporation, fix and determine the relative rights and preferences of the shares of any series so established.

(3) In order for the board of directors to establish a series, where authority so to do is contained in the articles of incorporation, the board of directors shall adopt a resolution setting forth the designation of the series and fixing and determining the relative rights and preferences thereof, or so much thereof as shall not be fixed and determined by the articles of incorporation.

(4) Prior to the issue of any shares of a series established by resolution adopted by the board of directors, the corporation shall file and execute in the manner hereinafter provided a statement setting forth:

- (a) The name of the corporation.
- (b) A copy of the resolution establishing and designating the series, and fixing and determining the relative rights and preferences thereof.
- (c) The date of adoption of such resolution.

(d) That such resolution was duly adopted by the board of directors.

(5) Such statement shall be executed in triplicate 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 such statement, and shall be delivered to the secretary of state. If the secretary of state finds that such statement conforms to law, he shall, when all fees have been paid as in this title prescribed:

(a) Endorse on each of such triplicate originals the word "Filed," and the month, day, and year of the filing thereof.

(b) File one of such originals in his office.

(c) Return the other two such originals to the corporation or its representative.

(6) One of such other originals shall then be filed in the office of the auditor of the county in which the registered office of the corporation is located and the other shall be retained by the corporation.

(7) Upon the filing of such statement by the secretary of state, the resolution establishing and designating the series and fixing and determining the relative rights and preferences thereof shall become effective and shall constitute an amendment of the articles of incorporation.

Passed the Senate April 8, 1975.

Passed the House June 7, 1975.

Approved by the Governor June 30, 1975.

Filed in Office of Secretary of State June 30, 1975.

CHAPTER 265

[Substitute Senate Bill No. 2469]

MUTUAL SAVINGS BANKS—TRUST POWERS

AN ACT Relating to mutual savings banks; and amending section 12, chapter 55, Laws of 1969 and RCW 32.08.210.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 12, chapter 55, Laws of 1969 and RCW 32.08.210 are each amended to read as follows:

A mutual savings bank shall have the power to act as trustee under:

(1) ~~((A retirement plan established pursuant to the provisions of the act of Congress entitled "Self-Employed Individuals Tax Retirement Act of 1962", as now constituted or hereafter amended. If a retirement plan, which in the judgment of the mutual savings bank, constituted a qualified plan under the provisions of that act at the time accepted by the mutual savings bank, is subsequently determined not to be a qualified plan or subsequently ceases to be a qualified plan in whole or in part, the mutual savings bank may, nevertheless, continue to act as trustee of any deposits theretofore made under the plan and to dispose of the same in accordance with the directions of the trustor and the beneficiaries thereof.~~

(2)) A trust established by an inter vivos trust agreement or under the will of a deceased person ~~((but only if all the trust assets are required by the terms of the trust to be invested in accounts with mutual savings banks. The trustee shall deposit the trust assets in savings accounts with itself as soon as practical after establishment of the trust)).~~