

4260.

DISAPPROVAL ARTICLES OF INCORPORATION OF THE GUARDIAN  
FIRE INSURANCE COMPANY.

COLUMBUS, OHIO, April 21, 1932.

HON. CLARANCE J. BROWN, *Secretary of State, Columbus, Ohio.*

DEAR SIR:—I acknowledge receipt of proposed Articles of Incorporation of The Guardian Fire Insurance Company.

The statutes with reference to insurance companies of this kind do not prescribe what the articles of incorporation shall contain, and since there is no special provision therefor, the general corporation act would apply.

The proposed articles do not set forth the maximum number of shares which the corporation is authorized to have outstanding, as required by section 8623-4, General Code. It also seems to me that the set-up contained in the fourth paragraph of the proposed articles is not correct. This paragraph reads as follows:

“The amount of capital with which the corporation will begin business is ONE HUNDRED SIXTY-FIVE THOUSAND (\$165,000.00) Dollars, made up as follows—ONE HUNDRED THOUSAND (\$100,000.00) Dollars Capital Stock—FIFTY THOUSAND (\$50,000.00) Dollars Surplus—FIFTEEN THOUSAND (\$15,000.00) Dollars Organization Expenses; par value of stock FIFTY (\$50.00) Dollars—distributed as follows: Thirty Dollars and Thirty Cents Capital—Fifteen Dollars and Fifteen Cents Surplus and Four Dollars and Fifty-Five Cents Organization expense.”

As the authorized capital stock is to be one hundred thousand dollars (\$100,000.00) and the par value of each share is to be fifty dollars (\$50.00), the maximum number of shares to be authorized would be two thousand (2,000). If the stock is to be sold at its par value and a portion of the proceeds thereof is to be used for surplus and organization expense, the amount realized would not equal the amount of capital at which it is contemplated the corporation is to begin business as only sixty thousand six hundred dollars (\$60,600.00) would be raised for capital, thirty thousand three hundred dollars (\$30,300.00) for surplus and ninety one hundred dollars (\$9100.00) for organization expense.

I also suggest that after the words “doing any and all things necessary or incidental to the aforesaid purpose” appearing in the purpose clauses there be added the words “not prohibited by law” or some similar phrase.

In the acknowledgment by the signers of the articles who are apparently members of both sexes, there is used this phraseology “who each severally acknowledged the signing of the foregoing articles of incorporation to be his free act and deed.” I suggest that some such phrase as “to be the free act and deed of each of them,” or some other expression of like import should be substituted. See Opinions of the Attorney General for 1930, Vol. III, page 1790.

I am therefore herewith returning said proposed articles without my approval.

Respectfully,

GILBERT BETTMAN,  
*Attorney General.*