

**MODERNIZATION OF CORPORATION STATUTES:
A SYMPOSIUM**

**PROPOSED REDRAFT OF THE WISCONSIN
CORPORATION LAWS**

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There is general agreement that the Wisconsin statutes relating to business corporations (particularly chapters 180, 181 and 182) are in many respects defective and antiquated. In cooperation with a special committee of the State Bar Association, the Law School is engaged in redrafting these chapters, including therein some important sections relating to corporations which are scattered elsewhere in the statute book and including also adequate provisions covering non-stock corporations. Those portions of the old law which have proved serviceable or unobjectionable are being retained, even though they may not be as ideally desirable as some of the corresponding provisions which have been written into the modernized statutes of other states. In general, we are building upon the admirable work done by the draftsmen of the recent corporation acts in Illinois, California, Minnesota, and Ohio; the Uniform Business Corporation Act; and the "Model Corporation Act" drafted by George S. Hills of New York and published in 48 *Harvard Law Review* 1334. Provisions of many other state statutes and pertinent treatises and articles are also being studied and made use of.

The work has been in progress for substantially three years. John H. Shiels, one of our law fellows in 1933-4, made a factual study based upon hundreds of articles of incorporation in the secretary of state's office, in which he sought to ascertain why so many Wisconsin concerns prefer to incorporate under the laws of other states, returning to do business in Wisconsin as foreign corporations. This study, appearing in 11 *Wisconsin Law Review* 457, indicated a number of defects in the Wisconsin statutes which undoubtedly account in part for the preference shown for other laws, and indicated also that the organization fees in Wisconsin may need some revision downward.

In October, 1935 a special committee of the State Bar Association was appointed to cooperate with us in undertaking a redraft, this committee consisting of Messrs. Edward J. Dempsey, Fred M. Wylie,

William H. Spohn, Benjamin Poss, Harold M. Wilkie, Ralph M. Hoyt, John S. Sprowls, Herman L. Ekern, and Claire B. Bird. During the academic year 1935-6 Roy G. Tulane and Donald C. Heide, law fellows, began the work of revision in consultation with me. A tentative draft was prepared, and during the present academic year David R. Levin, a graduate of the Law School who is a candidate for the degree of Ph.D. in Law, has been carrying on the work begun by Messrs. Tulane and Heide, and has in turn produced a draft built upon theirs, with changes and additions. At our suggestion, the Wisconsin Society of Certified Public Accountants has appointed a special committee to cooperate with us, consisting of Professor Fayette H. Elwell, chairman, Thomas A. McCormack, and Arthur E. Wegner. In addition to consulting with Mr. Elwell, Mr. Levin has been in active touch with the secretary of state's office and the Securities Division of the Public Service Commission, and has received many useful suggestions from these agencies.

We have sought expressions of opinion as to policies and details from the State Bar committee referred to above and from over a hundred lawyers in various parts of the state, those in the smaller towns as well as the larger cities. From them we have obtained much helpful advice based upon practical experience in dealing with the present statutes.

We hope by next winter to have the draft, with supporting annotations, in shape for detailed discussion, section by section, with the committees of the State Bar Association and the Wisconsin Society of Certified Public Accountants, and thereafter to submit it to members of the Bar and to the State Bar Association for criticisms, suggestions, and appropriate action. After that we should be able to get a final draft in shape for presentation to the legislature at the next session.