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A BILL FOR AN ACT

To amend section 137 of title 36 of the Code of the Federated States of Micronesia (Annotated), as enacted by Public Law No. 20-35, by deleting reference to bearer share, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1           Section 1. Section 137 of title 36 of the Code of the  
2 Federated States of Micronesia (Annotated), as enacted by Public  
3 Law No. 20-35, is hereby amended to read as follows:

4           "Section 137. Fractional shares.

5           (1) A corporation may:

6                   (a) Issue fractions of a share or pay in money  
7 the value of factions of a share;

8                   (b) Arrange for disposition of fractional shares  
9 by the shareholders; or

10                   (c) Issue scrip in registered [~~or bearer~~] form  
11 entitling the holder to receive a full share upon  
12 surrendering enough scrip to equal a full share.

13           (2) Each certificate representing scrip must be  
14 conspicuously labeled "scrip" and much contain the  
15 information required by section 143.

16           (3) The holder of a fractional share is entitled to  
17 exercise the rights of a shareholder, including the  
18 right to vote, to receive dividends, and to participate  
19 in the assets of the corporation upon liquidation. The

1 holder of scrip is not entitled to any of these rights  
2 unless the scrip provides for them.

3 (4) The board of directors may authorize the  
4 issuances of scrip subject to any condition considered  
5 desirable, including:

6 (a) That the scrip will become void if not  
7 exchange for full shares before a specified date;

8 (b) That the shares for which the scrip is  
9 exchangeable may be sold and the proceeds paid to the  
10 scrip holders.

11 Section 2. This act shall become law upon approval by the  
12 President of the Federated States of Micronesia or upon its  
13 becoming law without such approval.

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15 Date: 5/14/19

Introduced by: /s/ Isaac V. Figir  
Isaac V. Figir

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