

PART

13-1070. CORPORATION FRAUDS.

13-1070-1. DEFINITIONS. As used in this part:

- A. "Bona fide shareholder of record" means a shareholder of record who has acquired shares in good faith and is acting for a proper purpose reasonably related to his interests as a shareholder.
- B. "Director" means any of the persons having by law the direction or management of the affairs of a corporation, by whatever name the persons are described in its charter or known by law.

13-1070-2. FRAUDULENT SIGNING OF SHARE SUBSCRIPTIONS. Every person who signs the name of a fictitious person to any subscription for, or agreement to take, shares in any corporation existing or proposed, and every person who signs to any subscription or agreement the name of any person, knowing that the person has no means or does not intend in good faith to comply with all the terms thereof, or under any understanding or agreement that the terms of the subscription or agreement are not to be complied with or enforced, is guilty of a class B misdemeanor.

13-1070-3. Reserved.

13-1070-4. MISREPRESENTING PERSON AS OFFICER, AGENT, MEMBER OR PROMOTER. Every person who, without being authorized so to do, subscribes the name of another to, or inserts the name of another in, any prospectus, circular, or other advertisement or announcement of any corporation or joint stock association, existing or intended to be formed, with intent to permit it to be published, and thereby to lead persons to believe that the person whose name is so subscribed is an officer, agent, member or promoter of such corporation or association, is guilty of a class B misdemeanor.

13-1070-5. CONCURRENCE BY DIRECTOR IN DIVIDEND OR DIVISION OF CAPITAL IN VIOLATION OF LAW. Every director or any corporation issuing shares, except savings and loan or building and loan associations who concurs in any vote or act of the directors of the corporation or any of them, by which it is intended either:

- A. To make any dividend except as permitted by the Utah Business Corporation Act; or
- B. To divide, withdraw, or in any manner pay to the shareholders, or any of them, any part of the stated capital of the corporation except as permitted by the Utah Business Corporation Act is guilty of a class B misdemeanor.

13-1070-6. Reserved.