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## Private Law: Corporations

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## CORPORATIONS

*Milton M. Harrison\**

In *Scobee v. Continental Hotel Corp.*,<sup>1</sup> one of the incorporators subscribed to fifty percent of the shares of the corporation, and the articles of incorporation recited that he was the owner of the shares. However, no payment for the shares was made and the other principal shareholder and incorporator assumed complete control of the corporation and considered himself one hundred percent owner. After several years, petitioner sought a writ of mandamus to compel the corporation, its president, and secretary to deliver a certificate of stock evidencing petitioner's ownership of fifty percent of the stock. The court held that in the absence of having followed the procedure provided by statute<sup>2</sup> for disposing of subscriber's stock when payment is not made, the subscriber continues to be owner of the shares and is entitled to have the certificate delivered to him, upon making payment therefor.

It is required by statute that when parole evidence is admissible, "the debt or liability of the deceased must be proved by the testimony of at least one creditable witness other than the claimant. . . ."<sup>3</sup> In *B. Stern Co. v. Perry*,<sup>4</sup> the court held that testimony of the vice president of the corporation was the testimony of the corporation (the claimant) and was not that of one creditable witness other than the claimant; thus, the statutory requirement of proof was not met.

## INSURANCE

*W. Shelby McKenzie\**

*Insurance on Property*

The statutory fire policy provides that no suit shall be sustainable "unless commenced within twelve (12) months next after inception of the loss." In *Finkelstein v. American Insurance Co. of Newark*,<sup>1</sup> the supreme court had held that the twelve

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1. 242 So.2d 610 (La. App. 1st Cir. 1970).

2. LA. R.S. 12:6 (1950); the same provision since the 1968 revision of Title 12 is LA. R.S. 12:71 (Supp. 1968).

3. LA. R.S. 13:3722 (Supp. 1960).

4. 246 So.2d 246 (La. App. 1st Cir. 1971), *rehearing denied*, April 19, 1971.

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1. 222 La. 516, 62 So.2d 820 (1952).