

Chapter 41.—NAVAL SEA CADET CORPS [New]

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§ 1041. Corporation created.

The following named persons: John J. Bergen, William J. Catlett, Junior, Morgan Fitch, George Halas, John S. Leahy, Junior, and J. Paul Marshall; members of the Navy League National Sea Cadet Committee and their associates and successors, are created and declared to be a body corporate by the name of the Naval Sea Cadet Corps (hereinafter referred to as the "corporation") and by such name shall be known and have perpetual succession and the powers, limitations, and restrictions herein contained. (Pub. L. 87-655, § 1, Sept. 10, 1962, 76 Stat. 530.)

§ 1042. Purposes of corporation.

The objects and the purposes of the corporation shall be, through organization and cooperation with the Department of the Navy, to encourage and aid American boys to develop an interest and skill in basic seamanship and in its naval adaptations, to train them in seagoing skills and to teach them patriotism, courage, self-reliance, and kindred virtues. (Pub. L. 87-655, § 2, Sept. 10, 1962, 76 Stat. 531.)

§ 1043. Completion of organization.

The persons named in section 1041 of this title, their associates and successors are authorized to complete the organization of the corporation by the selection of officers, the adoption of a constitution and bylaws, the promulgation of rules or regulations that may be necessary for the accomplishment of the purposes of this corporation, and the doing of such other acts as may be necessary for such purposes. (Pub. L. 87-655, § 3, Sept. 10, 1962, 76 Stat. 531.)

§ 1044. Powers of corporation.

The corporation shall have power—

- (1) to have succession by its corporate name;
- (2) to sue and be sued, complain and defend in any court of competent jurisdiction;
- (3) to adopt, use, and alter a corporate seal;
- (4) to choose such officers, managers, agents, and employees as the business of the corporation may require;

(5) To adopt, amend, and alter a constitution and bylaws, not inconsistent with the laws of the United States or any State in which the corporation is to operate, for the management of its property and the regulation of its affairs;

(6) to contract and be contracted with;

(7) to take by lease, gift, purchase, grant, devise, or bequest from any private corporation, association, partnership, firm or individual and to hold any property, real, personal or mixed, necessary or convenient for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State (A) governing the amount or kind of property which may be held by or (B) otherwise limiting or controlling the ownership of property by, a corporation operating in such State;

(8) to transfer, convey, lease, sublease, encumber and otherwise alienate real, personal, or mixed property; and

(9) to borrow money for the purposes of the corporation, issue bonds therefor, and secure the same by mortgage, deed of trust, pledge or otherwise, subject in every case to all applicable provisions of Federal and State laws.

(Pub. L. 87-655, § 4, Sept. 10, 1962, 76 Stat. 531.)

§ 1045. Principal office; scope of activities; resident agent.

(a) The principal office of the corporation shall be located in Tacoma, Washington, or in such other place as may be later determined by the board of directors, but the activities of the corporation shall not be confined to that place, but may be conducted throughout the various States, territories, and possessions of the United States.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation; and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation. (Pub. L. 87-655, § 5, Sept. 10, 1962, 76 Stat. 531.)

§ 1046. Membership.

Eligibility for membership in the corporation and the rights, privileges, and designation of classes of members shall, except as provided in this chapter, be determined as the constitution and bylaws of the corporation may provide. (Pub. L. 87-655, § 6, Sept. 10, 1962, 76 Stat. 532.)

§ 1047. Governing body; composition; tenure; duties.

(a) Upon the enactment of this chapter and for not more than one year thereafter, the membership of the initial board of directors of the corporation shall consist of the present members of the board of directors of the Sea Cadet Corps of America, the corporation described in section 1057 of this title, or such of them as may then be living and are qualified members of said board of directors, to wit: John J. Bergen, William J. Catlett, Junior, Morgan Fitch, George Halas, John S. Leahy, Junior, and J. Paul Marshall.

(b) Thereafter, the board of directors of the corporation shall consist of such number (not less than ten and not more than twenty-five), shall be selected in such manner (including the filling of vacancies), and shall serve for such term as may be prescribed in the constitution and bylaws of the corporation.

(c) The board of directors shall be the governing board of the corporation, and shall be responsible for the general policies and program of the corporation and for the control of all funds of the corporation. (Pub. L. 87-655, § 7, Sept. 10, 1962, 76 Stat. 532.)

REFERENCES IN TEXT

Upon the enactment of this chapter, referred to in subsec. (a), means the enactment of Pub. L. 87-655, which was approved Sept. 10, 1962.

§ 1048. Officers of corporation; election; tenure; duties.

(a) The officers of the corporation shall be a president, one or more vice presidents (as may be prescribed in the constitution and bylaws of the corporation), a secretary, and a treasurer, and such other officers as may be provided in the constitution and bylaws.

(b) The officers of the corporation shall be elected in such manner and for such terms and with such duties as may be prescribed in the constitution and bylaws of the corporation. (Pub. L. 87-655, § 8, Sept. 10, 1962, 76 Stat. 532.)

§ 1049. Distribution of income or assets to members; loans.

(a) No part of the income or assets of the corporation shall inure to any of its members, directors, or officers as such, or be distributable to any of them during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of compensation to officers of the corporation in amounts approved by the board of directors of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any director who votes for or assents to the making of a loan or advance to an officer, director, or employee of the corporation, and any officer who participates in the making of such a loan or advance, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof. (Pub. L. 87-655, § 9, Sept. 10, 1962, 76 Stat. 532.)

§ 1050. Nonpolitical nature of corporation.

The corporation, and its officers and directors as such, shall not contribute to or otherwise support or assist any political party or candidate for public office. (Pub. L. 87-655, § 10, Sept. 10, 1962, 76 Stat. 532.)

§ 1051. Liability for acts of officers and agents.

The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority. (Pub. L. 87-655, § 11, Sept. 10, 1962, 76 Stat. 533.)

§ 1052. Prohibition against issuance of stock or payment of dividends.

The corporation shall have no power to issue any shares of stock or to declare or pay any dividends. (Pub. L. 87-655, § 12, Sept. 10, 1962, 76 Stat. 533.)

§ 1053. Books and records; inspection.

The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors, and committees having any authority under the board of directors, and it shall also keep at its principal office a record of the names and addresses of its members entitled to vote. All books and records of the corporation may be inspected by any member entitled to vote, or his agent or attorney, for any proper purpose, at any reasonable time. (Pub. L. 87-655, § 13, Sept. 10, 1962, 76 Stat. 533.)

§ 1054. Audit of financial transactions; report to Congress.

(a) The accounts of the corporation shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than March 1 of each year. The report shall set forth the scope of the audit and shall include a verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expense, and (5) sources and application of funds. Such report shall not be printed as a public document. (Pub. L. 87-655, § 14, Sept. 10, 1962, 76 Stat. 533.)

§ 1055. Use of assets upon dissolution or liquidation.

Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets, if any, of the corporation shall be distributed in accordance with the determination of the board of directors of the corporation and in compliance with the constitution and bylaws of the corporation and all Federal and State laws applicable thereto. (Pub. L. 87-655, § 15, Sept. 10, 1962, 76 Stat. 533.)

§ 1056. Exclusive right to name; emblem, seals, and badges.

The corporation shall have the sole and exclusive right to the name "Naval Sea Cadet Corps" and to have and to use in carrying out its purposes, distinctive insignia, emblems and badges, descriptive or designating marks, and words or phrases, as may be required in the furtherance of its functions. No powers or privileges granted shall, however, interfere or conflict with established or vested rights. (Pub. L. 87-655, § 16, Sept. 10, 1962, 76 Stat. 533.)

§ 1057. Acquisition of assets and liabilities of existing corporation.

The corporation may acquire the assets of the Sea Cadet Corps of America, a corporation organized under the laws of the State of Washington, upon discharging or satisfactorily providing for the payment and discharge of all the liability of such corporation and upon complying with all laws of the State of Washington applicable thereto. (Pub. L. 87-655, § 17, Sept. 10, 1962, 76 Stat. 534.)

§ 1058. Report to Secretary of the Navy on activities.

The corporation shall report annually to the Secretary of the Navy concerning its proceedings and activities for the preceding calendar years. The Secretary of the Navy shall communicate to Congress the whole of such reports, or such portion thereof as he shall see fit. (Pub. L. 87-655, § 18, Sept. 10, 1962, 76 Stat. 534.)

§ 1059. Reservation of right to amend or repeal chapter.

The right to alter, amend, or repeal this chapter is expressly reserved. (Pub. L. 87-655, § 19, Sept. 10, 1962, 76 Stat. 534.)