

17-7104. Defective organization of corporation not a defense; judicial inquiry into regularity or validity of corporate organization. (a) No domestic or foreign corporation shall be permitted to set up or rely upon the want of legal organization as a defense to any action against it; nor shall any person transacting business with such corporation, or sued for injury done to its property, be permitted to rely upon such want of legal organization as a defense.

(b) This section shall not be construed to prevent judicial inquiry into the regularity or validity of the organization of a corporation, or its lawful possession of any corporate power it may assert in any other suit or proceeding where its corporate existence or the power to exercise the corporate rights it asserts is challenged, and evidence tending to sustain the challenge shall be admissible in any such suit or proceeding.

History: L. 1972, ch. 52, § 123; L. 2004, ch. 143, § 76; Jan. 1, 2005.