



Legislation Details (With Text)

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TITLE 18 - CORPORATIONS (INCLUDES 2019 POCKET PART PLUS AMENDMENTS)

\*NOTICE: This document is provided as a courtesy. This document includes amendments to the Title 18 2019 Pocket Part as listed below and have not yet been officially codified.

Includes: LA 11-20, LA 01-22, LA 07-22, LA-15-22, AND LA 24-23

TITLE 18
CORPORATIONS

Chapter

- 1. Cherokee Nation General Corporation Act
2. Cherokee Nation Limited Liability Company Act
4. Jobs Growth

CHAPTER 1

CHEROKEE NATION GENERAL CORPORATION ACT

ARTICLE 3. POWERS

Section

18. Monthly cash dividend

ARTICLE 3

POWERS

§ 18. Monthly cash dividend

A. Those for-profit corporations in which Cherokee Nation is the sole or majority shareholder, and that are incorporated under Cherokee Nation law, shall issue a monthly cash dividend in the amount of thirty (30%) of net income.

B. Those for-profit corporations in which Cherokee Nation is the sole or majority shareholder, and that are incorporated under Cherokee Nation law, shall issue a monthly cash dividend in the amount of five percent (5%) of net income which will be set aside exclusively for contract health services for

Cherokee Nation citizens, including, but not limited to, eyeglasses, dentures, prostheses, cancer treatments and hearing aids. Funds expended under this Section shall be expended for Cherokee Nation citizens who reside anywhere within the fourteen county jurisdictional area, except for the Cherokee Nation Health Services Eyeglass and Hearing Aid Programs, which shall be expanded to any Cherokee Nation citizen living within the United States, so long as the citizen receives the vision or hearing screening in one of Cherokee Nation's health facilities.

C. Those for-profit corporations in which Cherokee Nation is the sole or majority shareholder, and that are incorporated under Cherokee Nation law, shall issue a monthly cash dividend in the amount of two percent (2%) of net income which will be set aside exclusively for an unanticipated and extraordinary financial emergency as provided for in LA-35-17 ("Cherokee Nation Sovereign Wealth Fund") and codified under Title 62, Public Finance, Chapter 13, Section 5 (A)(1).

LA 2-03, eff. January 20, 2003. Amended LA 4-04, eff. February 23, 2004; LA 36-05, eff. January 1, 2006; LA 25-11, eff. November 17, 2011; LA 34-17, eff. December 14, 2017; LA 11-20, eff. July 22, 2020; LA 07-22, eff. March 18, 2022.

#### **Historical and Statutory Notes**

##### **2017 Legislation**

LA 34-17, Section 2, provides:

"Section 2. Purpose. The purpose of this Act is to increase the monthly dividend of corporation in which the Cherokee Nation is the sole or majority shareholder by Two Percent (2%) with said percentage being set aside exclusively for an unexpected and extraordinary financial emergency."

##### **2020 Legislation**

LA 11-20, Section 2, provides:

###### **SECTION 2. PURPOSE**

The purpose of this Act is to expand the jurisdictional boundaries of the Cherokee Nation Health Services Eyeglass Program to all citizens of the Cherokee Nation living in the United States, allowing at-large citizens to have access to this benefit.

## **CHAPTER 2**

### **CHEROKEE NATION LIMITED LIABILITY COMPANY ACT**

#### **ARTICLE 8. CONVERSION AND MERGERS**

##### **Section**

250. Conversion of certain entities to a limited liability company

#### **ARTICLE 8**

#### **CONVERSION AND MERGERS**

##### **§ 250. Conversion of certain entities to a limited liability company**

A. As used in this section, the term "other entity" means a corporation, statutory trust, business trust, real estate investment trust, common law trust, other unincorporated business or entity (including a partnership, whether general or limited), or foreign limited liability company.

B. Any other entity may convert to a domestic limited liability company by complying with subsection (H) of this section and filing with the Office of the Principal Chief in accordance with 18 CNCA § 217 articles of conversion to a limited liability company that have been executed in accordance with 18 CNCA § 216, to which shall be attached articles of organization that comply with 18 CNCA §§ 206 and 214 and have been executed by one or more authorized persons in accordance with 18 CNCA § 216.

C. The articles of conversion to a limited liability company shall state:

1. The date on which the other entity was first formed;
2. The name of the other entity immediately prior to the filing of the articles of conversion to limited liability company; and
3. The name of the limited liability company as set forth in its articles of organization filed in accordance with subsection (B) of this section.

D. Upon the filing in the Office of the Principal Chief of the articles of

conversion to a limited liability company and the articles of organization, the other entity shall be converted into a domestic limited liability company and the limited liability company shall thereafter be subject to all of the provisions of this Act, except that notwithstanding 18 CNCA § 213, the existence of the limited liability company shall be deemed to have commenced on the date the other entity was formed.

E. The conversion of any other entity into a domestic limited liability company shall not be deemed to affect any obligations or liabilities of the other entity incurred prior to its conversion to a domestic limited liability company or the personal liability of any person incurred prior to such conversion.

F. When any conversion shall have become effective under this section, for all purposes of the laws of the Cherokee Nation, all of the rights, privileges and powers of the other entity that has converted, and all property, real, personal and mixed, and all debts due to such other entity, as well as all other things and causes of action belonging to such other entity, shall be vested in the domestic limited liability company and shall thereafter be the property of the domestic limited liability company as they were of the other entity that has converted, and the title to any real property vested by deed or otherwise in such other entity shall not revert or be in any way impaired by reason of this Act, but all rights of creditors and all liens upon any property of such other entity shall be preserved unimpaired, and all debts, liabilities and duties of the other entity that has converted shall thenceforth attach to the domestic limited liability company and may be enforced against it to the same extent as if the debts, liabilities and duties had been incurred or contracted by it.

G. Unless otherwise agreed or otherwise provided by any laws of the Cherokee Nation applicable to the converting other entity, the converting other entity shall not be required to wind up its affairs or pay its liabilities and distribute its assets, and the conversion shall not be deemed to constitute a dissolution of such other entity and shall constitute a continuation of the existence of the converting other entity in the form of a domestic limited liability company. When an other entity has been converted to a limited liability company pursuant to this section, the limited liability company shall, for all purposes of the laws of the Cherokee Nation, be deemed to be the same entity as the converting other entity.

H. Prior to filing the articles of conversion of an other entity to a limited liability company with the Office of the Principal Chief, the conversion shall be approved in the manner provided for by the document, instrument, agreement or other writing, as the case may be, governing the internal affairs of the other entity and the conduct of its business or by applicable law, as appropriate, and an operating agreement shall be approved by the same authorization required to approve the conversion.

I. The converting other entity should give written notice of the conversion to the jurisdiction in which the converting other entity was formed, provided, however, the failure to give such written notice shall not affect the other entity's conversion into a domestic limited liability company.

LA 32-04, eff. July 16, 2004. Amended LA 28-13, eff. November 14, 2013.

## **CHAPTER 4**

### **JOBS GROWTH**

#### **Section**

404. Ownership of certain Cherokee Nation business entities

#### **§ 404. Ownership of certain Cherokee Nation business entities**

##### **A. Jobs growth.**

1. Assignment of ownership. The Principal Chief, or designee, shall be authorized to execute the necessary documents to transfer ownership of Cherokee Nation Enterprises, Inc. (CNE), Cherokee Nation Industries, Inc. (CNI), Cherokee Nation Distributors (CND), and any subsidiaries of the listed entities to Cherokee Nation Businesses, Inc. (CNB), a corporation wholly-owned by Cherokee Nation, as the parent company of the listed entities.

2. Parent company ownership. The Nation shall be the sole owner of the parent company for all purposes, including all assets and goodwill, and no interest in CNB shall be held at any time by any other party. For the purposes of this act, any business corporation, or entity wholly-owned by Cherokee Nation, or in which Cherokee Nation owns a majority interest, the entity which shall represent the shareholder and vote any and all shares of stock or interest shall be the Principal Chief and the Cherokee Nation Council. It will take two-thirds ( $\frac{2}{3}$ ) majority of the Council to take any action pursuant to this section. The Council and the Principal Chief shall adopt procedures to effectuate the provisions of this section.

3. CNB purpose. The purpose of CNB shall be to:

- i. engage in all lawful activities, and to facilitate and promote the Nation's economic development through strategic planning, self-sufficiency, and a strong tribal government;
- ii. preserve and enhance profits and cash flow available for redistribution and investment, consistent with the policy direction of Cherokee Nation;
- iii. establish procedures to evaluate and approve allocation of capital to new business ventures and opportunities, and expansion of existing businesses;
- iv. provide the necessary debt, subject to Council approval, or equity capital to pursue such business ventures and opportunities, and meet the long term capital requirements of new, as well as existing, businesses.

4. CNB Board of Directors. The CNB Board of Directors shall be comprised of no more than seventeen (17) members and shall, upon the dissolution of the CNE and CNI boards, be comprised of the then-current CNB directors and the former members of the dissolved CNE and CNI boards. Other subsidiaries may have directors as allowed by Cherokee law. Provided that, effective upon enactment of this act, the seats shall be assigned as follows:

Seat 1, a term expiring 08/31/2025, currently vacant

Seat 2, a term expiring 08/31/2025, currently vacant

Seat 3, a term expiring 08/31/2025, currently vacant

Seat 4, a term expiring 08/31/2025, vacant

Seat 5, a term expiring 08/31/2025, currently vacant

Seat 6, a term expiring 08/31/2026, currently held by Bob Berry

Seat 7, a term expiring 08/31/2026, currently held by Michael Watkins

Seat 8, a term expiring 08/31/2026, currently held by Jerry Holderby

Seat 9, a term expiring 08/31/2026, currently held by Brent Taylor

Seat 10, a term expiring 08/31/2027, currently held by Chris Carter

Seat 11, a term expiring 08/31/2027, currently held by Dan Carter

Seat 12, a term expiring 08/31/2027, currently held by Buck Charles

George

Seat 13, a term expiring 08/31/2028, currently held by Tommye Sue

Wright

Seat 14, a term expiring 08/31/2028, currently held by Shaun Shepherd

Seat 15, a term expiring 08/31/2028, currently held by Lynna Carson

Seat 16, a term expiring 08/31/2029, currently held by Deacon Turner

Seat 17, a term expiring 08/31/2029, currently held by Gary Cooper

Hereafter, appointments to the CNB Board of Directors shall be for five (5) year terms.

5. Capital investments. The CNB Board of Directors shall establish appropriate policies for capital maintenance and investments based upon individual subsidiary business needs. Provided, that Cherokee Nation Enterprises shall retain minimum capital for expansions from net income in the amounts equal to forty percent (40%) of net income for fiscal years 2006 through 2008.

6. Business operations. All business operations shall be conducted directly by each subsidiary in its own name.

7. Advisory Board Members. Legislative Act 35-02 establishing Advisory

Board Members for each business entity in which the Nation is a majority shareholder is referenced and hereby reaffirmed. Advisory Board members provide oversight of the Council for ongoing advice and notice of business activities..

8. Dividends not affected. Dividends required or otherwise authorized by LA 16-96, as amended, remain unchanged by this act.

9. Authority. CNB shall have all powers of corporations as provided by LA 16-96, as amended.

LA 37-05, eff. December 18, 2005. Amended LA 11-10, eff. April 22, 2010; LA 27-11, eff. December 14, 2011; LA 23-12, eff. August 23, 2012; LA 15-22, eff. May 23, 2022.