

If the corporation is organized outside the Trust Territory, roughly comparable provisions would presumably exist in the jurisdiction of its organization. 1/ As discussed above, it also appears that the corporation would be subject to the Foreign Investors Business Permit Act, which includes broad provisions concerning investigations by the District Economic Development Board and the Registrar of Corporations, annual reports, and loss of business permit for certain unlawful or unauthorized acts.

These corporate provisions provide some protection to members, but we suggest they be augmented in the articles and bylaws. In the first place, the corporation should be required to provide more frequent financial statements to its members -- perhaps audited statements annually and unaudited statements quarterly. This is the normal business practice (and requirement under the securities laws) in the United States, and should be the minimum standard for a corporation performing a public function. In addition, the corporation should be required to publish and distribute to its members a quarterly report summarizing and explaining its activities. Finally, the corporation could be required to publish on a continuing basis information as to certain important kinds of transactions. For example, perhaps every proposed sale or lease of land -- or at least every major

---

1/ See, e.g., D.C. Code §§ 29-1053 (involuntary dissolution); 29-1055 (jurisdiction of court to liquidate assets and affairs of corporations); 29-1083 (annual report).