

Recd 7/9/85

PH NO. 4



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HAND DELIVERED

July 8, 1985

Delegate Paul A. Manglona
Chairman, Committee on Local Government
Second Northern Mariana Islands
Constitutional Convention
House of Taga
Saipan, CM 96950

RE: Delegate Proposals 160-85 and 162-85

Dear Mr. Chairman:

You have requested the Registrar of Corporations of my office to testify on these proposals. Because we have so little to say and I testify for the Registrar, I will submit written testimony instead.

Our only concern is with the addition workload of annual audits. We cannot speak for the Public Auditor but we seriously doubt his ability to audit each year all of the Northern Mariana Islands descent corporations. (Total number of corporations exceeds 1,000; there is no breakdown as to Northern Mariana Islands descent). As to our own capacity, we are concerned with the phrase:

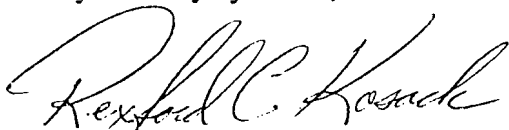
The Public Auditor and the Registrar of
Corporations shall make annual audits . . .

We strongly suggest that reference to the Registrar be stricken since the Registrar has no capacity to conduct audits.

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However, should the Public Auditor audit these corporations, we believe that our office is capable of responding appropriately to the conclusions reached, and in that sense, we have no objection to the proposals.

Very truly yours,


REXFORD C. KOSACK
Attorney General

cc: Registrar of Corporations