GUAM CODE ANNOTATED

TITLE 18

BUSINESS STRUCTURE
AND
FUNCTION

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# TABLE OF CONTENTS

**TITLE 18**  
**BUSINESS STRUCTURE AND FUNCTION**

**DIVISION 1**  
**BUSINESS STRUCTURE**

**PART 1**  
**THE CORPORATE LAW**

Chapter 1. Preliminary Provisions. §§ 1101-1104
Chapter 2. Formation of Corporations.  
  Article 2. Bylaws, Directors, Elections, and Meetings. §§ 2201-2217
Chapter 3. Corporate Stock.  
  Article 1. Stocks and Stockholders. §§ 3101-3106  
  Article 2. Assessment of Stock. §§ 3201-3214  
  Article 3. Right To Dissent And Obtain Payment For Shares. §§ 3301-3303  
  Article 4. Procedure for Exercise of Dissenters' Rights. §§ 3401-3409  
  Article 5. Judicial Appraisal of Shares. §§ 3501-3502
Chapter 4. Corporate Powers.  
  Article 1. General Powers. §§ 4101-4112  
  Article 2. Records. §§ 4201-4202  
  Article 3. Examination of Corporations. §§ 4301-4304  
  Article 4. Judgment Against and Sale of Corporate Property. §§ 4401-4405
Chapter 5. Extension and Dissolution of Corporations. §§ 5101-5108
Chapter 7. Foreign Corporations.  
  Article 1. Foreign Corporations. §§ 7101-7119  
  Article 2. Foreign Limited Liability Partnerships. §§ 7201-7202  
  Article 3. Foreign Limited Liability Companies. §§ 7301-7313
Chapter 8. Professional Corporation Act. §§ 8101-8111
Chapter 9. Corporate Merger. §§ 9101-9102.1

PART 2
SPECIAL CORPORATE FORMS

Chapter 10. Religious & Nonprofit Corporations. §§ 10101-10113
Chapter 11. Colleges and Institutions of Learning. §§ 11101-11106
Chapter 12. Industrial Development Corporations. §§ 12101-12121
Chapter 13. Nonprofit Cooperative Associations. §§ 13101-13133
Chapter 14. Publication of Financial Information by Nonprofit Organizations. §§ 14101-14103
Chapter 15. Limited Liability Companies. §§ 15101-15138
Chapter 16. Employee-Owned Companies. §§ 16000-16007

PART 3
AGENCY

Chapter 20. Agency in General.
Article 1. Definition of Agency. §§ 20101-20106
Article 2. Authority of Agents. §§ 20201-20223
Article 3. Mutual Obligations of Principals and Third Persons. §§ 20301-20310
Article 4. Agent's Obligations to Third Persons. §§ 20401-20404
Article 5. Delegation of Agency. §§ 20501-20503
Article 6. Termination of Agency. §§ 20601-20602

Article 1. Auctioneers. §§ 21101-21102
Article 2. Factors. §§ 21201-21203
Article 3. Shipmasters & Pilots. §§ 21301-21313
Article 4. Ships' Managers. §§ 21401-21402
Article 5. Durable Power of Attorney. §§ 21501-21507
PART 4
PARTNERSHIP

Chapter 25. Partnerships in General.
   Article 2. Nature of a Partnership. §§ 25201-25203
   Article 3. Relations of Partners to Persons Dealing with Partnership. §§ 25301-25309
   Article 4. Relations of Partners to One Another. §§ 25401-25406
   Article 5. Property Rights of a Partner. §§ 25501-25505
   Article 6. Dissolution & Winding Up. §§ 25601-25616
   Article 7. Miscellaneous Provisions. §§ 25701-25702

Chapter 26. Use of Fictitious Names. §§ 26101-26108

Chapter 27. Limited Partnerships.
   Article 1. Nature of Partnership. § 27101
   Article 2. Formation of Partnership. § 27201
   Article 3. Powers, Rights, Duties and Liabilities of Partners. §§ 27301-27316
   Article 4. Alteration and Dissolution of the Partnership. §§ 27401-27408
   Article 5. Miscellaneous Provisions. §§ 27501-27504

PART 5
GUAM BUSINESS CORPORATION ACT

   Article 1. General Provisions. §§ 28101-28111
   Article 2. Incorporation. §§ 28201-28205
   Article 3. Purposes and Powers. §§ 28301-28304
   Article 4. Alteration and Dissolution of the Partnership. §§ 28401-28403
   Article 5. Designation of Agent and Service of Process. § 28501
   Article 6. Shares and Distribution. §§ 28601-28616
   Article 7. Shareholders. §§ 28701-28726
   Article 8. Directors and Officer. §§ 28801-28822
   Article 9. [Reserved]
   Article 10. Amendment of Articles of Incorporation and Bylaws. §§ 281001-281010
   Article 11. Mergers and Share Exchanges. §§ 281101-281108
   Article 12. Disposition of Assets. §§ 281201-281202
   Article 13. Appraisal Rights. §§ 281301-281312
Article 14. Dissolution. §§ 281401-281415
Article 15. Foreign Corporations. § 281501
Article 16. Records and Reports. §§ 281601-281602
Article 17. Transition Provision. §§ 281701-281707

DIVISION 2
COMMERCIAL & BUSINESS OBLIGATIONS

PART 1
THIRD-PARTY OBLIGATIONS

Chapter 30. Indemnity. §§ 30101-30110
  Article 1. Definition of Guaranty. §§ 31101-31102
  Article 2. Creation of Guaranty. §§ 31201-31204
  Article 3. Interpretation of Guaranty. §§ 31301-31304
  Article 4. Liability of Guarantors. §§ 31401-31405
  Article 5. Continuing Guaranty. §§ 31501-31502
  Article 6. Exoneration of Guarantors. §§ 31601-31607
Chapter 32. Suretyship.
  Article 1. Who are Sureties. §§ 32101-32102
  Article 2. Liability of Sureties. §§ 32201-32205
  Article 3. Rights of Sureties. §§ 32301-32307
  Article 4. Rights of Creditors. § 32401

PART 2
LIENS

Chapter 35. Liens in General.
  Article 1. Definition of Liens. §§ 35101-35106
  Article 2. Creation of Liens. §§ 35201-35204
  Article 3. Effect of Liens. §§ 35301-35305
  Article 4. Priority of Liens. §§ 35401-35403
  Article 5. Redemption from Liens. §§ 35501-35503
  Article 6. Extinction of Liens. §§ 35601-35605
Chapter 36. Mortgages.
  Article 1. Mortgages in General. §§ 36101-36122
  Article 2. Mortgages of Real Property. §§ 36201-36204
Chapter 37. Bottomry. §§ 37101-37113
Chapter 38. Respondentia. §§ 38101-38105
Chapter 39. Other Liens. §§ 39101-39113

PART 3
DEPOSIT

Chapter 40. Deposit in General.
Article 2. Obligations of the Depositary. §§ 40201-40207

Chapter 41. Deposit for Keeping.
Article 2. Gratuitous Deposit. §§ 41201-41204
Article 3. Storage. §§ 41301-41307
Article 4. Innkeepers. §§ 41401-41407
Article 5. Finding. §§ 41501-41509

Chapter 42. Deposit for Exchange. § 42101

PART 4
LOANS

Chapter 45. Loan for Use. §§ 45101-45113
Chapter 46. Loan for Exchange. §§ 46101-46105
Chapter 47. Loan of Money. §§ 47101-47108

PART 5
HIRING

Chapter 50. Hiring in General. §§ 50101-50111
Chapter 51. Hiring of Real Property (Landlord & Tenant). §§ 51101-51112
Chapter 52. Hiring of Personal Property. §§ 52101-52103
PART 6
SERVICE

Chapter 55. Service with Employment.
    Article 1. Definition of Employment. § 55101
    Article 2. Obligations of Employer. §§ 55201-55203
    Article 3. Obligations of Employee. §§ 55301-55318
    Article 4. Termination of Employment. §§ 55401-55409

Chapter 56. Particular Employment.
    Article 1. Master & Servant. §§ 56101-56106
    Article 2. Agents. §§ 56201-56204
    Article 3. Factors. §§ 56301-56305
    Article 4. Shipmasters. §§ 56401-56411
    Article 5. Mates & Seamen. §§ 56501-56518
    Article 6. Ships' Managers. §§ 56601-56603

Chapter 57. Service Without Employment. §§ 57101-57102

PART 7
CARRIAGE

Chapter 60. Carriage in General. §§ 60101-60106

Chapter 61. Carriage of Persons.
    Article 1. Gratuitous Carriage of Persons. § 61101
    Article 2. Carriage for Reward. §§ 61201-61205

Chapter 62. Carriage of Property.
    Article 1. General Definitions. § 62101
    Article 2. Obligations of the Carrier. §§ 62201-62208
    Article 3. Bills of Lading. [Repealed]
    Article 4. Freightage. §§ 62401-62409
    Article 5. General Average. §§ 62501-62508

Chapter 63. Common Carriers.
    Article 1. Common Carriers in General. §§ 63101-63108
    Article 2. Common Carriers of Persons. §§ 63201-63207
    Article 3. Common Carriers of Property. §§ 63301-63308
    Article 4. Common Carriers of Messages. § 63401
PART 8
TRUSTS

Chapter 65. Trusts in General.
   Article 1. Nature & Creation of a Trust. §§ 65101-65110
   Article 2. Obligations of Trustee. §§ 65201-65212
   Article 3. Obligations of Third Persons. §§ 65301-65302

Chapter 66. Trusts for the Benefit of Third Persons.
   Article 1. Nature & Creation of the Trust. §§ 66101-66105
   Article 2. Obligations of Trustee. §§ 66201-66206
   Article 3. Powers of Trustee. §§ 66301-66303
   Article 4. Rights of Trustees. §§ 66401-66403
   Article 5. Termination of the Trust. §§ 66502-66505
   Article 6. Succession or Appointment of New Trustees. §§ 66601-66603

PART 9
GENERAL PROVISIONS

Chapter 70. General Provisions. § 70101

DIVISION 3
GENERAL OBLIGATIONS

PART 1
OBLIGATIONS DEFINED

Chapter 80. Obligations.
   Article 1. Definition. §§ 80101-80102
   Article 2. General Rules of Interpretation. § 80201
   Article 3. Joint or Several Obligations. §§ 80301-80303
   Article 4. Conditional Obligations. §§ 80401-80409
   Article 5. Alternative Obligations. §§ 80501-80504

Chapter 81. Transfer of Obligations. §§ 81101-81112

Chapter 82. Obligations Extinguished.
   Article 1. Performance. §§ 82101-82107
   Article 2. Offer of Performance. §§ 82201-82221
   Article 3. Prevention of Performance or Offer. §§ 82301-82304
   Article 4. Accord & Satisfactions. §§ 82401-82404
Article 5. Novation. §§ 82501-82504
Article 6. Release. §§ 82601-82604

**PART 2
CONTRACTS**

   Article 1. Definition. §§ 85101-85103
   Article 2. Parties. §§ 85201-85204
   Article 3. Consent. §§ 85301-85325
   Article 4. Object of a Contract. §§ 85401-85405
   Article 5. Consideration. §§ 85501-85511

Chapter 86. Manner of Creating Contracts. §§ 86101-86111

Chapter 87. Interpretation of Contracts. §§ 87101-87125

Chapter 88. Unlawful Contracts. §§ 88101-88108

Chapter 89. Extinction of Contracts.
   Article 1. How Contracts are Extinguished. § 89101
   Article 2. Rescission. §§ 89201-89204
   Article 3. Alteration & Cancellation. §§ 89301-89305

**PART 3
OBLIGATIONS IMPOSED BY LAW**

Chapter 90. Obligations Imposed by Law. §§ 90101-90114

Chapter 91. Uniform Electronic Transactions Act. §§ 91101-91120
Compiler’s Note

This entire Title comes from the Civil Code of Guam. The purpose of Title 18 is to include within it all laws pertaining to business; its organization and the general laws governing business relations not repealed from the Civil Code and placed elsewhere in the Guam Code Annotated. For instance, many parts of the Civil Code have been replaced by the Uniform Commercial Code and are found in Title 13 of the GCA. Likewise, the Uniform Consumer Credit Code, formerly commencing with § 1801.101 of the Civil Code, has been reenacted as Title 14 of the GCA. The Compiler has placed the First Division of the Civil Code into Titles 19 and 21 of the GCA, dealing with personal rights and relations and real property, respectively. What remains of business relations is in this Code. The general law on Relief will be found in Title 20 of the GCA.

This Part 1 of Title 18 comes from §§ 287 - 460 of the Civil Code. This part was originally codified under the Naval Government of Guam and recodified by the Legislature in 1953 to remove various provisions not consistent with civilian government on Guam. This Part contains the General Corporation Law as amended up to the date of codification. The only changes made by the Compiler are those changes, authorized by 1 GCA Chapter 16, which are required to conform the law to its placement within the Guam Code Annotated.

All SOURCE references in this Title will be to the original 1953 Civil Code of Guam unless otherwise stated.

2009 NOTE: Public Law 29-144 (Jan. 30, 2009) enacted the Guam Business Corporation Act which is codified at Chapter 28 of this Title. See § 1101.1 for the continuing effect of this Chapter 1 on corporations formed prior to the effective date of Chapter 28 of this Title.
§ 1101. Short Title.

This Part of Title 18 of the Guam Code Annotated and all amendments hereto and any section or supplement added hereto shall be known and may be cited as The General Corporation Law, and is hereinafter referred to as this Part.

SOURCE: CC (Civil Code) § 277. References to Title and Civil Code have been replaced with Part and this Title, respectively, to conform to the position of this law within the Guam Code Annotated.

§ 1101.1. [Untitled Section – Relative to the Effect of P.L. 29-144 Enacting the Guam Business Corporation Act].

No corporation organized in Guam after the effective date of the Guam Business Corporation Act, 18 GCA, Division 1, Part 5, shall be organized under or governed by the provisions of this Part, except as provided in the Guam Business Corporation Act. A corporation organized in Guam prior to the effective date of the Guam Business Corporation Act shall not be subject to the Guam Business Corporation Act, and shall continue to be governed by this part, except as provided in the Guam Business Corporation Act.

SOURCE: Added by P.L. 29-144:3 (Jan. 30, 2009) as § 1101a, effective 90 days from enactment pursuant to P.L. 29-144:4. Renumbered by Compiler to harmoniously fit this chapter.

§ 1102. Definitions and Construction.

The following are definitions of certain terms as used in this Part:

(a) Articles includes the articles of incorporation, amendments thereto, amended articles, and agreements of consolidation or merger.

(b) Unless the context otherwise requires, shareholder or stockholder or holder of shares, means holder or record of shares or shareholder or record and includes a subscriber to shares in cases in
which no certificates are outstanding, and a member of a nonstock corporation.

(c) Member includes each person signing the articles of a nonstock corporation and each person admitted to membership therein.

(d) Incorporator includes each person signing the articles of incorporation.

(e) Corporation unless otherwise expressly provided, refers only to a domestic corporation.

(f) Domestic Corporation means a corporation formed under the laws of this territory; and foreign corporation means any other corporation.

(g) Stock corporation means a corporation authorized to issue shares of stock.

(h) Nonstock corporation includes every corporation other than a stock corporation.

(i) To represent shares means to vote, to give written consent to corporation action, to dissent therefrom, and to execute waivers of notice of meetings.

(j) Majority vote and two-thirds vote mean votes of the holders of shares or members entitled to exercise, respectively, a majority and two-thirds (2/3) of the voting power at a shareholders' or members' meeting.

(k) Directors includes persons designated in the articles as such and persons designated, elected or appointed by any other name or title to act as directors and their successors.

(l) Directors, when used in relation to any power or duty requiring collective action shall be construed to mean board of directors.

(m) Mortgage includes any instrument to secure a debt, or any pledge or form of security.

(n) Shares or shares of stock shall be construed to include membership in nonstock corporation where the context so requires.

(o) Investment Company refers to any domestic corporation whose purpose includes or which does engage in the following activity:
(1) Investing, reinvesting or trading in or the acquisition or ownership of securities or other property from which any gross fixed or determinable annual or periodic gains, profits and income shall be treated as income from sources without Guam in accordance with the provisions of § 862 or § 863 of the Guam Territorial Income Tax Law as its primary activity or engaging in the conduct of business as an investment company and defined in any law of the United States or of Guam (unless provision is made in its articles of incorporation that majority ownership must be held at all times beneficially and of record by individual residents of Guam).

(p) International Finance Company refers to any domestic corporation whose purpose includes or which does engage in the following activity:

(1) Deriving at least fifty percent (50%) of its annual gross income as interest or similar fees or revenue from any of its stockholders or any affiliate of its stockholders or any person responsible for the existence of such stockholder relationship and which either:

(A) has outstanding obligations with an original maturity date of longer than one (1) year in a principal amount greater than its capital;

(B) which holds, as assets, obligations of any one debtor (including, for this purpose, obligations of all other entities which are under common control with a debtor) equal to an amount greater than such company's capital; or

(C) which has at least fifty percent (50%) of its obligations guaranteed as to principal or interest by any one or more of its debtors or convertible into the securities of any one or more of its debtors.

(q) FSC refers to any domestic corporation which is also a FSC as defined in §922(a) of the Internal Revenue Code as the same may be amended from time to time.

SOURCE: CC § 278; Subsection (o) and (p) added by P.L. 16-115:1 (Oct. 20, 1982); Subsection (q) added by 17-063:3 (Aug. 29, 1984) and amended by P.L. 17-75:11 (Oct. 25, 1984).
**§ 1103. General Application.**

(a) The provisions of this Part are applicable to every private corporation, profit or nonprofit, stock or nonstock, now existing or hereafter formed, and the outstanding or future securities thereof, unless such corporation be expressly excepted from the operation thereof, or there be a special provision, in relation to any class thereof inconsistent with some provision of this Part, in which case the special provision prevails.

(b) Existing Corporations. The existence of corporations heretofore formed or existing shall not be affected by the enactment of this Part, nor by any change in the requirements for the formation of corporations, nor by amendment or repeal of the laws under which they were formed or created.

**SOURCE:** CC § 279. Enacted 1953.

**2015 NOTE:** Subsection designations were added in accordance to the authority granted by 1 GCA § 1606.

**§ 1104. Savings Clause.**

Neither this Part nor the amendment or repeal thereof, nor any law affecting corporations, shall take away or impair any liability or cause of action existing or incurred against any corporation, its shareholders, directors, or officers.

**SOURCE:** CC § 280.

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