



THE MENDOCINO REPUBLIC PERSONS AND ENTITIES ACT (MPEA)

CHAPTER 700: PRIVATE INTEREST FOUNDATIONS

§ 701. Legal nature and purpose.

- (a) **Definition.** A private interest foundation established under this chapter constitutes a separate, self-owning legal entity.
- (b) **Permissible purpose.** Its primary purpose must be non-commercial and pertain to the management of private wealth for the benefit of persons, families, or specified purposes. It may hold shares in commercial enterprises but shall not conduct day-to-day commercial trade as its principal activity.
- (c) **Separate patrimony.** The foundation exists independently of its founder, council, and beneficiaries. Its assets constitute a dedicated patrimony, distinct from the personal estate of any natural or juridical person.

§ 702. Establishment.

- (a) **Creation.** A foundation is created by the execution of a public foundation charter and the endowment of initial capital.
- (b) **Registration.** The charter must be filed with the Mendocino Republic Registrar of Foundations to confer legal personality.
- (c) **Private regulations.** The details of beneficiaries, distribution schedules, and specific operational rules may be set forth in a separate private regulations document, which is not filed with the Registrar and shall remain confidential.

§ 703. Mandatory charter contents.

The public foundation charter must contain:

- (1) The foundation's name, which must include the word "Foundation" and shall not be identical or confusingly similar to any other entity on the Registry;
- (2) A declaration of the foundation's purpose;
- (3) The initial capital endowment, which shall not be less than 20,000 or its equivalent in a major foreign currency;
- (4) The registered address within the Mendocino Republic;
- (5) The full name and address of the foundation council;
- (6) The full name and address of the registered agent, which must be a licensed legal or fiduciary firm practicing within the Republic;
- (7) The duration of the foundation, which may be perpetual;
- (8) Provisions for the amendment of the charter and the disposition of assets upon dissolution.

§ 704. Foundation council.

- (a) **Responsibility.** The foundation council is responsible for the administration of the foundation's assets and the fulfillment of its purpose.



(b) **Composition.** The council must consist of no fewer than two members. At least one member must be a qualified Mendocino professional, defined as a licensed attorney, trustee, or fiduciary resident in the Republic.

(c) **Fiduciary duty.** The council shall act in accordance with the charter and private regulations. Its members have a fiduciary duty of care, loyalty, and confidentiality to the foundation.

§ 705. Reserved powers of founder and guardian.

(a) **Founder's rights.** The founder may, in the charter or private regulations, reserve certain irrevocable powers, including but not limited to: the right to amend the private regulations; the right to appoint and remove members of the foundation council and beneficiaries.

(b) **Guardian.** The founder may appoint a guardian. The guardian may be granted supervisory powers to approve council actions, ensure compliance with the founder's wishes, and, in specified circumstances, replace the council. The council must obtain prior authorization from the guardian for any act specified in the regulations.

§ 706. Confidentiality and secrecy.

(a) **Confidential information.** All information contained within the private regulations, and all information pertaining to the identity of beneficiaries and the distribution of assets, is subject to absolute professional confidentiality.

(b) **Criminal offense.** Any member of the foundation council, the registered agent, or the guardian who unlawfully discloses confidential information commits a Class B misdemeanor, punishable by imprisonment of not more than one year, a fine not exceeding 50,000, or both.

§ 707. Asset protection and irrevocability.

(a) **Irrevocability.** A foundation, once registered, is irrevocable unless expressly stated otherwise in its charter.

(b) **Separate patrimony.** Assets transferred to the foundation constitute a dedicated patrimony. They are shielded from, and may not be seized to satisfy, the personal debts, liabilities, or legal claims against the founder or any beneficiary.

(c) **Fraudulent transfer challenge.** Transfers of assets to a foundation may only be challenged by a creditor of the founder if said creditor can prove, by clear and convincing evidence, that the transfer was made with the primary intent to defraud that specific creditor. Any such action must be commenced within twenty-four (24) months of the transfer.

§ 708. Registrar of Foundations.

The Mendocino Republic Registrar of Foundations is established as the sole governmental authority for the filing and public registration of foundation charters. The Registrar shall:

- (1) Maintain a public ledger showing the foundation's name, registered number, date of formation, and registered agent;
- (2) Hold all other documents in a private, secure registry;
- (3) Promulgate rules for the administration of this chapter.



§ 709. Severability.

If any provision of this chapter or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

§ 710. Effective date.

This chapter shall take effect immediately upon publication in the Public Notice of Tribal Nations.