

## The Veil of Corporate Fiction

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As defined by law and jurisprudence, a corporation is an association of persons — an artificial being created by operation of law. It being such, a corporation is veiled with corporate fiction. This fiction, however, is *partial* — a legal entity separate and distinct from the natural entities of its stockholders and members. It is also *relative*, since a corporation is not free from limits, restrictions or qualifications. It is also *intermittent*, since both man and the law play a part in its creation, disregard and dissolution. The question thus arises: When may the veil of corporate fiction be disregarded, to hold a corporation's members and stockholders responsible for its acts?

The Article aims to answer this question through an exhaustive discussion of seven grounds for disregarding the corporate fiction: (1) the commission of fraud; (2) contravention of law; (3) contravention of contract; (4) equitable titles or rights; (5) internal corporate transactions among all shareholders of members, where third persons are not involved; (6) mere agencies, undisclosed principalships and the like; and (7) enemy corporations. Through an extensive review of American Jurisprudence and its effect on local decisions of the Supreme Court, the Author intends to provide a guide for practitioners and students alike in arriving at a deeper understanding of the veil of corporate fiction.