

MAINE STATE LEGISLATURE

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EIGHTIETH LEGISLATURE

HOUSE

NO. 70

House of Representatives, February 9, 1921.

Referred to Committee on Judiciary and 500 copies ordered printed. Sent up for concurrence.

CLYDE R. CHAPMAN, Clerk.

Presented by Mr. Maher of Augusta.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND
NINE HUNDRED AND TWENTY-ONE

AN ACT to Amend Chapter Fifty-one of the Revised Statutes as Amended by Chapter One Hundred Forty-four of the Public Laws of Nineteen Hundred Seventeen, Relating to the Formation of Corporations Having Stock without Par Value.

Be it enacted by the People of the State of Maine, as follows:

Sections one hundred fifteen to one hundred nineteen, inclusive, of chapter fifty-one of the revised statutes as amended by chapter one hundred forty-four of the public laws of nineteen hundred seventeen are hereby amended by striking out all of said sections and substituting in place thereof the following:

'Sect. 115. Upon the organization under the laws of this
2 state of any corporation the organization of which is au-
3 thorized under the provisions of section seven of this chap-
4 ter, or upon the amendment of the certificate of organiza-
5 tion in the manner now or hereafter provided by law of
6 any present existing corporation organized pursuant to the
7 provisions of this chapter, provision may be made for the
8 issuance of all or any one or more classes of its stock of
9 whatever kind without par or face value, by stating in the
10 certificate of organization or in the certificate of amend-
11 ment, in lieu of the statements now required by law as to
12 the amount of the corporation's capital stock and the num-
13 ber and par value of the shares into which the same is to
14 be divided:

(a) The number of shares with a par or face value and
2 the number of shares without a par or face value that may
3 be issued by the corporation and the classes, if any, into
4 which such shares are divided.

(b) The par or face value of shares other than shares
2 which it is stated are to have no par or face value.

Sect. 116. In the case of certificates for shares of stock
2 issued under the preceding section, it shall be unlawful to
3 set forth any par value or value in dollars thereon, or to
4 express any rate of dividend to which the shares repre-
5 sented thereby shall be entitled in terms of percentage of
6 any par or other value. Every such certificate shall have
7 plainly stated on its face the number of shares which it
8 represents and each such share (except as to preferences,

9 rights, limitations, privileges and restrictions, lawfully
10 granted or imposed with respect to any stock or class
11 thereof) shall be deemed to be equal to every other share
12 of the same class. Preferences, rights, limitations, privi-
13 leges and restrictions authorized by the laws of this state
14 may be stated in dollars and cents per share.

Sect. 117. Corporations may issue and dispose of their
2 authorized shares having no par or face value for such
3 consideration as may be prescribed in the certificate of
4 organization or in the certificate of amendment, or if no
5 consideration is so prescribed then for such consideration
6 as may be fixed by the stockholders at a meeting duly
7 called and held for the purpose, or by the board of directors
8 when acting under general or special authority granted by
9 the stockholders. Any and all shares issued for the con-
10 sideration prescribed or fixed in accordance with the pro-
11 visions of this section shall be fully paid and non-assess-
12 able. The authorized number of shares without par or
13 face value may be increased or reduced by a majority vote
14 of the issued and outstanding shares at a meeting duly
15 called for the purpose, or at an annual meeting, when no-
16 tice shall have been given of such proposed action in the
17 call therefor, and the corporation shall file a certificate
18 thereof with the secretary of state within ten days there-
19 after, and thereupon said change shall take effect.

Sect. 118. Any corporation, the organization of which
2 is authorized under this chapter, having outstanding shares
3 with par value, may, at a meeting duly called and held for

4 the purpose, by vote of the holders of a majority of its out-
5 standing stock, change such shares or any class thereof,
6 into an equal number of shares without par or face value,
7 or provide for the exchange thereof pro rata for an equal
8 or different number of shares without par or face value,
9 provided the preferences, rights, limitations, privileges and
10 restrictions lawfully granted or imposed with respect to
11 the outstanding shares, so changed or exchanged, shall not
12 be impaired, diminished or changed without the consent
13 of all the holders thereof, such preferences, rights, limita-
14 tions, privileges and restrictions, however, to be expressed
15 in dollars or cents per share rather than by reference to
16 par or face value.

Sect. 119. Corporations formed pursuant to the provisions
2 of this chapter may provide that preferred stock with par
3 value may be called in and retired at any price stated in
4 the provisions describing the preferences of such stock,
5 and that preferred stock without nominal or par value may
6 be likewise called in and retired, provided however, that
7 said price shall not be less than the sum said corporation
8 shall have received for said stock upon the issuance there-
9 of. No preferred stock shall thus be called in or retired if
10 thereby the property and assets of the corporation shall
11 be reduced below the amount of its outstanding debts and
12 liabilities.

Sect. 120. Before filing the certificate of incorporation
2 or any certificate of increase in the number of shares of a
3 corporation having shares without nominal or par value,

4 there shall be paid to the treasurer of state for the use of
5 the state one cent per share on all shares authorized up
6 to and including ten thousand shares, but in no case less
7 than ten dollars and on all shares in excess of ten thousand
8 shares five mills per share. The amount of the annual
9 franchise tax to be paid to the state in the case of such cor-
10 porations shall be five mills per share on all shares author-
11 ized up to and including ten thousand shares but in no case
12 less than ten dollars and two and one-half mills per share
13 on all shares in excess of ten thousand shares.

Sect. 121. The laws applicable to corporations having
2 shares of stock with par value shall apply to corporations
3 issuing shares without par or face value, except as other-
4 wise provided in the six preceding sections.'