

MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

OF THE

SIXTY-FIFTH LEGISLATURE

OF THE

STATE OF MAINE.

1891.

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1891.

PUBLIC LAWS
OF THE
STATE OF MAINE.

1891.

Chapter 83.

An Act relating to the fees of Trial Justices.

Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows :

Fees of trial justices.

That trial justices shall be allowed a fee of eighty cents for trial of an issue in criminal cases.

Approved March 21, 1891.

Chapter 84.

An Act to define the Rights of Minority Stockholders.

Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows :

Corporations shall not sell franchises without consent of stockholders.

SECT. 1. No corporation shall sell, lease or in any manner part with its franchises except with the consent of its stockholders at an annual or special meeting, the call for which shall give notice of the subject matter of the proposed sale, lease or consolidation. All such sales, leases and consolidations shall be subject to the provisions of this act, and to the prior liens of stockholders as herein defined.

Dissent of stockholders shall be filed, and petition entered, with S. J. Court, that value of shares shall be determined.

SECT. 2. If any stockholder in any corporation, which shall vote to sell, lease or consolidate its franchise ; shall vote in the negative and shall file his written dissent therefrom with the president, clerk or treasurer of such corporation within one month from the day of such vote, the corporation in which he is a stockholder may within one month after such dissent is so filed, enter a petition with the supreme judicial court, sitting in equity, in the county where it held its last annual meeting, in term time or in vacation, setting forth in substance the material facts of the transaction, the action of the corporations thereon, the names and residence of all dissenting stockholders whose dissents were so filed, making such dissenting stockholders parties thereto, and praying that the value of the shares of such dissenting stockholders may be determined, and for other appropriate relief.

If corporation fails to enter petition, dissenting stockholder may enter and prosecute the same.

SECT. 3. If any such corporation shall fail to enter such petition as aforesaid, any stockholder dissenting as aforesaid may within one month thereafter enter such petition and prosecute the same, making such corporation party defend-

ant. In either case the court shall fix the time of hearing and shall order notice thereof to all parties interested, by publication in some newspaper or newspapers at least two weeks successively, and such personal service as is required upon bills in equity.

SECT. 4. The court, or any justice thereof in term time or in vacation, shall hear the parties and determine as soon as practicable the value of the stock of such dissenting stockholders; and shall make and enforce all such orders and decrees as may be necessary to secure to such stockholders all their rights. Such corporation shall, notwithstanding any appeal as hereinafter authorized, forthwith deposit the amount so awarded, in some bank or trust company designated by the court, to be by it held until final judgment, and paid to the parties as thereafter ordered by the court directing such deposit. Upon such deposit and upon compliance with final judgment as hereinafter ordered, the shares of such stockholders shall become the property of such corporation, and the court may make and enforce such orders as may be necessary to secure its title thereto.

Court shall hear parties, determine value of shares and secure rights of stockholders.

—corporation shall deposit amount of award in some bank.

—when shares shall become property of corporation.

SECT. 5. Within thirty days after filing the decree determining such values, as aforesaid, either party may enter an appeal therefrom, to be heard at the next term of the supreme judicial court in the county where such petition is pending. The issue may thereupon, at the request of any party thereto, be submitted to a jury. If upon such trial the amount of such award is increased, the stockholder shall have judgment and execution against the petitioning corporation or corporation defending, for such increase with interest and costs; and if not increased, such corporation may withdraw from said deposit, the amount of the decrease with interest and costs. During the pendency of such appeal, the appellant shall have a lien upon all the property of the corporation interested in such sale or lease, or consolidation for thirty days after judgment on appeal. Such lien shall have precedence over any mortgages or leases made after any vote of sale, lease or consolidation. All such liens may be released upon filing with the court, a bond in such amount and with such sureties as the court may approve. Two or more stockholders may join in the same appeal.

Either party may enter appeal, and trial had before a jury.

—award, how paid.

—appellant shall have lien on property of corporation.

SECT. 6. Any stockholder failing to file his dissent as required in section two shall be deemed to have assented to

If dissent is not filed, stockholder shall be deemed to have assented.

CHAP. 84

—guardian may be appointed for incapacitated stockholder.

—proviso.

Stockholders shall deposit in court, certificates of shares.

—transfers shall be subject to final decrees.

If corporation fails to pay amount decreed, stockholder may take judgment and execution or withdraw stock.

—after withdrawal, or if execution is not satisfied, owner shall retain all rights.

—dissenting stockholders shall have lien on property.

such vote. If it appears that any stockholder is legally incapacitated from giving such assent or waiver, the court shall appoint suitable guardians or representatives for such persons, and the case shall then be heard and determined as if such stockholders had filed their dissent as required by section two. Provided, however, that, if the proceedings authorized by this act are not had, then as against any stockholder who is a minor, or otherwise legally incapacitated, and who has no guardian, the period of one month in which to file the written dissents aforesaid shall not begin to run until the removal of the incapacity, by the appointment of a guardian or otherwise and actual notice of the vote of sale, lease or consolidation.

SECT. 7. Every stockholder appearing in answer to, or filing any petition, by himself, guardian or other legal representative, shall simultaneously therewith or within such time as the court may allow, deposit in court his certificate of shares duly endorsed to the corporation of which he is a shareholder, or some other sufficient transfer thereof, which shall there remain subject to the order of the court. All attachments and transfers of such shares shall be subject to the final decrees in such proceeding; and any such attaching creditor or transferee shall be allowed to become a party to the proceedings to protect his interests; and if such person, so claiming under such transfer or attachment omits or fails to intervene in such proceedings, his omission as a party shall not bar or impair the proceedings.

SECT. 8. If none of the corporations interested in such petition shall pay or deposit the amount as herein ascertained and decreed, with interest thereon, within such time as the court shall order, any stockholder, entitled to such amount, may at his option take judgment and execution therefor, with interest and costs, against such corporation or withdraw his stock aforesaid; and after such withdrawal or if said execution is returned unsatisfied within thirty days after judgment, the owner of such shares shall retain all the rights of a dissenting stockholder as though no proceedings had taken place. All stockholders entitled to a remedy hereunder, shall have a lien upon the property of the corporations in which they are stockholders which shall take precedence of all mortgages or leases, of any kind made after any vote of sale, lease or con-

solidation. Such liens may be released as provided in section five.

SECT. 9. The supreme judicial court, or any justice thereof, may in term time or vacation hear and determine said petitions, and make all orders for giving notice to non-resident parties, and taking action with reference to them, for the enforcement of the rights of any party to the proceeding, for the consolidation of two or more petitions, for the payment of interest on the adjudged value of the shares, for the payment of dividends, pending the proceedings, for interest upon the deposit aforesaid, for the distribution of costs between the parties and for enforcing its orders and decrees, as are consistent with the principles of equity practice, and as the convenient and speedy settlement of the controversy may require.

Court may hear and determine petitions, and make orders for enforcement of rights of all parties, etc.

SECT. 10. If any petition shall fail for any matter of form, any party interested therein may file a new petition within two months thereafter. No petition shall be abated by the death of any party, but may thereupon be summarily revived by suggestion and amendment.

If petition fails for any matter of form, new petition may be filed.

SECT. 11. This act shall not apply to nor affect any pending action at law or in equity or cause of action, legal or equitable, heretofore accrued, nor any special acts relating to the rights of minority stockholders in any particular corporations enacted heretofore, or by the present legislature, nor to any mortgage legally made.

Act shall not apply to pending actions.

SECT. 12. In the event either of the corporations interested has consolidated its stock with corporations created by any other state or states, or the stock therein is held by virtue of concurrent legislation of one or more states, and proceedings have been commenced for valuing the stock and paying the value thereof in any state having jurisdiction, such proceedings shall, while pending, be a bar to any under this statute; but if such proceedings in any other state shall fail for any reason not touching the merits, a petition may be filed as herein provided, within two months thereafter.

Proceedings for valuing stock under the laws of other states, shall be a bar to any under this act.