

MAINE STATE LEGISLATURE

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FOURTH REVISION.

THE
REVISED STATUTES

OF THE

STATE OF MAINE,

PASSED AUGUST 29, 1883, AND TAKING EFFECT JANUARY 1, 1884.

BY THE AUTHORITY OF THE LEGISLATURE.



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CHAP. 46.

TITLE FOUR.

Corporations of various kinds, and Proprietors of Real Estate.

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CORPORATIONS.

SEC. 1. This chapter applies to all corporations organized by special acts of the legislature or under the general laws of the state, except so far as it is inconsistent with such special acts or with public statutes, concerning particular classes of corporations.

This chapter applies to all corporations. 1853, c. 230. 39 Me., 37. 58 Me., 20.

SEC. 2. Corporations may sue and be sued, plead and be impleaded, in their corporate name; have a common seal alterable at pleasure; elect all necessary officers; prescribe their duties and fix their compensation; make by-laws consistent with the laws of the state and their charters; and hold and convey lands and other property. (a)

General powers of corporations. R.S., c. 46, § 1.

(a) 16 Me., 229; 17 Me., 442; 20 Me., 46; 23 Me., 41; 29 Me., 126; 43 Me., 182; 50 Me., 550; 56 Me., 420; 58 Me., 20; 61 Me., 167; 68 Me., 43.

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SEC. 3. Their first meeting, unless otherwise provided, shall be called by a notice signed by some person named in the act of incorporation, setting forth the time, place, and purpose, of the meeting, a copy of which shall be delivered to each member, or published in a newspaper in the county, if any, otherwise in the state paper, seven days before the meeting; but the organization of all existing corporations made in accordance with this chapter, or chapter forty-eight, are equally valid. (a)

SEC. 4. When a meeting cannot be otherwise called, three members of the corporation may make written application to a justice of the peace where it is established, if local, or if not, where it is desired to hold the meeting, who may issue his warrant to either of such members, directing him to call a meeting by giving the notice required in the preceding section. When the law requires a notice to be published in some newspaper, or posted in some public place, the justice shall designate in his warrant the newspaper or place.

SEC. 5. When all the members of a corporation are present at a meeting, and sign a written consent on the record thereof, such meeting is legal.

SEC. 6. Corporations may determine by their by-laws, the manner of calling and conducting meetings; the number of members that constitute a quorum; the number of votes to be given by shareholders; the tenure of the several officers; the mode of voting by proxy; and of selling shares for neglect to pay assessments; and may enforce such by-laws by penalties not exceeding twenty dollars. A corporation, at a legal meeting of its stockholders, may vote to change its name and adopt a new one; and when the proceedings of such meeting, certified by the clerk thereof, are returned to the office of the secretary of state to be recorded by him, the name shall be deemed changed; and the corporation, under its new name, has the same rights, powers, and privileges, and is subject to the same duties, obligations and liabilities as before, and may sue and be sued by its new name; but no action brought against it by its former name, shall be defeated on that account, but on motion of either party, the new name may be substituted therefor in the action.

SEC. 7. When a meeting is called by a justice of the peace, he, or the person to whom his warrant was directed, may call the meeting to order and preside therein, until a clerk is chosen and qualified, if there is no officer present whose duty it is to preside. The person presiding is not responsible for an error in judgment in receiving or rejecting the vote of a person claiming to be a member.

SEC. 8. When a corporation fails to hold its annual meeting on the day appointed, the officers of the preceding year continue in the exercise of their duties, and their acts are legal, until other officers are chosen and qualified in their stead. When, upon due notice given, officers are regularly elected on any other day than that of the annual meeting, they shall hold their offices and perform their duties as if chosen on that day, unless a majority of the corporate members file with the clerk, within six months after such election, written objections thereto, and their acts shall be considered legal, until others are chosen and qualified in their stead.

(a) 27 Me., 519; 38 Me., 345; 72 Me., 296.

SEC. 9. When such a notice is filed, the clerk shall call a meeting of the corporation, at such time and place as he appoints, and give the notice required for an annual meeting, stating in it the fact that objections have been filed, and the purpose of the meeting; and officers elected at such meeting shall hold their offices, and their acts shall be considered legal, until other officers are chosen and qualified in their stead.

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Clerk to call meeting, when objections are made to election on another day. R.S., c. 46, § 8.

SEC. 10. Corporations shall keep, at some place within the state, a clerk's office containing their records and books, which at seasonable hours, shall be open to the inspection of persons interested, who may take copies and minutes therefrom, of such parts as concern their interests, and have them produced in court on trial of an action in which they are interested, when they can be used as evidence.

Clerk's office, books, &c., where kept.—to be open to inspection and to be produced in court. R.S., c. 46, § 9.

SEC. 11. The clerk of a corporation, within twenty days after acceptance of the office, shall file a certificate of his election in the registry of deeds in the district where the corporation is established, or where it has a place of business, or a general agent; and an attested copy of such certificate shall be sufficient evidence that he is clerk, for service of process upon the corporation, until another certificate has been filed.

Clerk to file certificate of his election in registry of deeds: attested copy, evidence. R.S., c. 46, § 10. 30 Me., 550.

SEC. 12. When the capital of a corporation is divided into shares, and certificates thereof are issued, they may be transferred by indorsement and delivery, but such transfer is not valid, except between the parties thereto, until the same is so entered on the books of the corporation as to exhibit the names and residences of the parties, the number of the shares, and the date of their transfer. Certificates of shares shall be issued to those entitled to them by transfer or otherwise, signed by the president and attested by the cashier, clerk, or treasurer. Neither shall sign blanks and leave them for use by the other, nor sign them without knowledge of the apparent title of the person to whom they are issued. In case of the absence or disability of either of said officers, the signature of a majority of the directors in his stead is sufficient.

Transfer of shares, how made. R.S., c. 46, § 11. See c. 51, § 55. 20 Me., 305. 49 Me., 317. 68 Me., 68.

—certificates, by whom signed.

SEC. 13. Shareholders may be represented by proxies granted not more than thirty days before the meeting which shall be named therein; they are not valid after a final adjournment thereof. They may be represented by a general power of attorney, produced at the meeting, until it is revoked. Shares hypothecated to the corporation shall not be represented. No person can give, by right of representation, a greater number of votes than is allowed to any one by the charter or by-laws.

Proxies and powers of attorney, and rights under them. R.S., c. 46, § 12.

SEC. 14. After the owner of stock in a corporation has transferred, mortgaged or in any way pledged the same to another for security merely, and it so appears in such transfer, mortgage or pledge, and on the books of the corporation, such owner continues to have the right to vote upon such stock at all meetings of the stockholders until his right of redemption ceases.

Representation of mortgaged stock. 1872, c. 69.

SEC. 15. Whenever the assets of a corporation have been so diminished by losses or depreciation of property, that its capital is impaired, such corporation, at any meeting of the stockholders legally called therefor, with the consent of not less than two thirds in amount of all its outstand-

When capital of company is impaired, stock may be reduced. 1878, c. 16, § 1.

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—par value of shares reduced proportionally.

Remedy for any stockholder who has not agreed thereto. 1878, c. 16, § 2. —proceedings may be annulled or modified.

—action of court, or if no bill is filed, action of corporation to be conclusive.

Copy of proceedings to be filed with secretary of state. 1878, c. 16, § 3.

—penalty for failure, how recovered.

Corporation may authorize issue of new shares of stock. 1878, c. 16, § 4.

Preventing use of records and books, punished. R.S., c. 46, § 13.

Property and franchise may be taken for debts. R.S., c. 46, § 14.

Contracts. R.S., c. 46, § 15.

Foreign companies may sue and be sued here, and property attached. 1880, c. 203. —effect of agents' acts.

Acts of incorporation liable to

ing stock, expressed at such meeting or at any adjournment thereof, may reduce such stock to the extent of such impairment, and thereupon the par value of all shares issued or to be issued shall be reduced proportionally.

SEC. 16. Within thirty days after such reduction, any stockholder who has not agreed thereto, may file a bill in equity in any county in which said corporation has an established place of business, or in which it held its last stockholders' meeting, for a revision of its proceedings in making said reduction, upon which bill such proceedings may be annulled or modified, so that such reduction shall not exceed the actual impairment of capital. The action of the court, or, if no bill is filed as aforesaid, the action of the corporation, as provided in the preceding section, shall be conclusive upon all parties, whether stockholders or creditors, and such reduction shall not create any personal liability of any stockholder or officer thereof.

SEC. 17. The clerk of said corporation shall file with the secretary of state a certified copy of such proceedings, within thirty days after they are taken, or forfeit one thousand dollars, to be recovered by action of debt in favor of any existing or future creditor of such corporation first suing therefor in any court or county in which a transitory action between the same parties can be brought.

SEC. 18. Simultaneously with or after such reduction of its stock, such corporation may from time to time authorize the issue of new shares, of the reduced par value, until the gross capital equals the gross capital authorized by its charter or articles of association before such reduction was made, although the new shares should increase the whole issue beyond the number authorized by such charter or articles.

SEC. 19. Any officer or member of a corporation, who prevents access to and use of the records and books as provided in section ten, is liable for all damages occasioned thereby, in an action on the case.

SEC. 20. The property of any corporation, and the franchise of one having a right to receive a toll established by the State, with its privileges and immunities, are liable to attachment on mesne process and levy on execution for debts of the corporation, in the manner prescribed by law.

SEC. 21. Corporations are bound by parol contracts made by an agent authorized by vote or by its by-laws. Contracts may be implied from corporate acts, or from the acts of a general agent. (a)

SEC. 22. Corporations existing by the laws of another state or of a foreign jurisdiction, may sue or be sued by their corporate name in this state; and if they have property in this state it may be attached and appraised and set off on execution, as the property of non-resident individuals. The acts of their agents have the same effect as the acts of agents of foreign private persons, unless prohibited by law. (b)

SEC. 23. Acts of incorporation, passed since March seventeen, eighteen hundred and thirty-one, may be amended, altered, or repealed by

(a) 7 Me., 120; 24 Me., 38, 502; 26 Me., 435; 29 Me., 126.

(b) 17 Me., 36; 29 Me., 467; 55 Me., 294.

the legislature, as if express provision therefor were made in them, unless they contain an express limitation; but this section shall not deprive the courts of any power which they have at common law over a corporation or its officers. (a)

SEC. 24. Corporations, whose charters expire or are otherwise terminated, have a corporate existence for three years thereafter; to prosecute and defend suits; to settle and close their concerns; to dispose of their property; and to divide their capitals.

SEC. 25. When the charter of a corporation expires or is terminated, a creditor or stockholder may apply to the supreme judicial court, which may appoint one or more trustees to take charge of its estate and effects, with power to collect its debts, and prosecute and defend suits at law; and to sell and convey its real estate; and if sold at auction, the same notice shall be given as in the sale of lands of corporations on execution. The court has jurisdiction in equity of all proceedings therein, and may make such orders and decrees, and issue such injunctions as are necessary.

SEC. 26. The debts of the corporation shall be paid in full by such trustees, when the funds are sufficient; when not, ratably to those creditors, who prove their debts, as the law provides, or as the court directs. Any balance remaining shall be distributed among the stockholders or their legal representatives in proportion to their interests.

SEC. 27. Except where otherwise provided by statute, whenever at any meeting of its stockholders, legally called therefor, such stockholders vote to dissolve such corporation, a bill in equity against the same for dissolution thereof, may be filed by any officer, stockholder or creditor in the supreme judicial court, in the county in which it has an established place of business, or in which it held its last stockholders' meeting, upon which bill, such notice shall be given as may be ordered by any justice of said court, in term time or vacation, upon proof of which notice, such proceedings may be had according to the usual course of suits in equity, that said corporation shall be dissolved and terminated. Upon proof that there are no existing liabilities against said corporation, and no existing assets thereof, requiring distribution among the stockholders, said court may dissolve said corporation without the appointment of trustees or receivers.

SEC. 28. Said court has jurisdiction in said cause to appoint receivers, issue injunctions, and pass interlocutory decrees and orders, according to the usual course of proceedings in equity; and shall, moreover, upon dissolving said corporation, or upon terminating its charter, appoint one or more trustees, who shall have all the powers conferred upon similar trustees by sections twenty-four, twenty-five, twenty-six and forty-seven, or by any other law of the state, with such special powers as may be given them by said court. But, notwithstanding the appointment of such trustees, said court may superintend the collection and distribution of the assets of said corporation, and may retain said bill for that purpose.

SEC. 29. Nothing in the two preceding sections relieves any officer, shareholder or other person from any liability, except as provided therein.

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alteration or
repeal.
R.S., c. 46, § 17.

Corporations
may continue
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R.S., c. 46, § 18.
55 Me., 293.
Court may
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R.S., c. 46, § 19.
60 Me., 173,
182.

Trustees to
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and divide
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R.S., c. 46, § 20.
60 Me., 173,
182.

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1877, c. 154, § 1.
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—if no liabil-
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1883, c. 160.

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1877, c. 154, § 2.

—shall
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—powers and
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of assets.

No relief
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liability.
1877, c. 154, § 3.

(a) 16 Me., 231; 23 Me., 319; 60 Me., 174; 63 Me., 274; 66 Me., 504, 508; 69 Me., 49.

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Bank officers to ascertain residence of stockholders. 1879, c. 149.

1872, c. 16.

65 Me., 379.

—no dividend payable to those whose residence is not on books.

—when statement of stockholders and stock to be returned.

—to be basis of taxation.

Officers to return list of stockholders to secretary of state by Dec. 8.

1872, c. 16.

65 Me., 379.

Deposit of return in post office, sufficient. 1881, c. 79, § 1.

—penalty for neglect.

Secretary of state to notify attorney general of neglect of corporations to make returns.

1881, c. 79, § 2.

—costs in behalf of state.

If returns are made within 30 days, suit shall be discontinued. 1881, c. 79, § 3.

Forfeiture by corporation officer, for neglect to publish statement. 1881, c. 79, § 4.

When and how corporations ceasing to do business, may be excused from filing annual returns. 1883, c. 168.

1883, c. 195.

SEC. 30. Cashiers of banks, and clerks or treasurers of other corporations shall ascertain the residences of all stockholders in either; and no dividend shall be paid to any stockholder, whose residence, for the time being, is not entered on the books thereof; and the cashiers of banks, and clerks or treasurers of all corporations holding property liable to be taxed, shall, by the eighth day of April annually, return under oath, to the assessors of each town, in which any of its stockholders reside, the names of such stockholders, the amount of stock owned by them on the first day of such April, and the amount of stock paid into such corporations, and such return shall contain in the body thereof, or by note annexed thereto an abstract of section thirty-two of chapter six; and such returns shall be the basis of taxation on such property.

SEC. 31. Such cashiers and clerks or treasurers, shall by the eighth day of December annually, make return to the secretary of state of the names of all stockholders, their residence, the amount of stock owned by each, and the whole amount of stock paid in. The secretary shall lay the same before the legislature within the first thirty days of its session.

SEC. 32. A deposit of the return required in the two preceding sections in a post office, postage paid, properly directed, is a compliance therewith. For the neglect or refusal of its officer to make such return, the corporation forfeits five hundred dollars, to be recovered in an action of debt, half to the prosecutor and half to the State.

SEC. 33. Whenever any corporation or its officers neglect to make to the secretary of state any return required by law, the secretary of state shall forthwith notify the attorney general, who shall proceed at once, by action of debt in the name of the State, to enforce the penalties therefor. In addition to said penalties, the following costs shall be recovered in behalf of the State against said corporation, to wit: for the attorney general, for the writ, an attorney fee, and travel and attendance at court not exceeding two terms; and for the State, such other costs as are legally taxable in actions at law. Such action may be brought in any county.

SEC. 34. If within thirty days from the commencement of the action under section thirty-two, such corporation makes to the secretary of state the returns required by law, he shall forthwith notify the attorney general, who shall discontinue such suit upon payment of the costs already accrued.

SEC. 35. If any officer of a corporation, charged by law with the duty of making and causing to be published any statement in regard to such corporation, neglects so to do, such officer, in addition to penalties already provided, forfeits five hundred dollars, to the prosecutor, to be recovered by action of debt, or action on the case.

SEC. 36. The attorney general, upon application by any corporation, and satisfactory proof that it has ceased to transact business, shall file a certificate of the fact with the secretary of state, and on payment of a reasonable compensation for his services, shall give a duplicate certificate to the corporation; and thereupon such corporation shall be excused from filing annual returns with the secretary of state, as now required by law, so long as its franchises remain unused.

SEC. 37. The stockholders of all corporations created by the legislature after February sixteen, eighteen hundred and thirty-six, except banking corporations, unless it is otherwise specified in their charter, or by general law, are liable for the debts of the corporation contracted during their ownership of such stock, prior to June one, eighteen hundred and fifty-seven, in case of deficiency of attachable corporate property, to the amount of their stock and no more; and such liability continues, notwithstanding any subsequent transfer of such stock, for one year after such transfer is recorded on the corporation books; but no stockholder whose stock has been fully paid in, and no part of the principal has been withdrawn, is liable for debts contracted after said first day of June; but in the latter case, when an officer certifies on an execution against a corporation, that he cannot find corporate property to satisfy it, each stockholder's stock and interest in stock may be seized and sold thereon as on execution against him; and he may recover of the corporation the value of the stock or interest so taken as provided in section forty-nine.

SEC. 38. The stockholders of corporations, excepting those created for literary, benevolent, and banking purposes, incorporated since March seventeen, eighteen hundred and thirty-one, are, as it regards debts of the corporation, subject to the liabilities imposed on stockholders by section thirty-seven, except for stock owned before April twenty-four, eighteen hundred and thirty-nine, and for stock held as executor, administrator, guardian or trustee.

SEC. 39. At any time within six months after the return of an execution against a corporation, recovered on a debt for which any stockholder is liable under section thirty-seven, unsatisfied in whole or in part for want of attachable property of the corporation, the plaintiff in such execution may make demand of any stockholder thereof to disclose, and show attachable property thereof sufficient to satisfy the execution.

SEC. 40. After demand as aforesaid, the execution creditor may have an action on the case against such stockholder, to recover of him individually the amount of his execution and costs, or the deficiency thereof, not exceeding the amount for which said stockholder is liable by section thirty-seven. Such action must be commenced within six months after the rendition of judgment against the corporation.

SEC. 41. In such action, said stockholder may prove, in reduction of his liability, the amount of corporate debt which he has previously paid, and which has not been repaid to him by the corporation; also any debt due him from the corporation, for which he, at the time, might maintain an action at law against it; and may show any other legal cause why judgment should not be rendered against him.

SEC. 42. The treasurer of every such corporation shall keep a full record of all claims in favor of its stockholders against the corporation, and exhibit the same with a particular statement of its financial condition, to any creditor thereof, when requested by him, and on failure to exhibit such statement the stockholders shall not be entitled, in actions against them, to show previous payments on account of the corporation in reduction of their liability, but if they suffer damages by reason of

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Stockholders' liability for debts of the corporation: to what extent, and how liable.
R.S., c. 46, § 24.
18 Me., 37.
26 Me., 197.
36 Me., 25.
39 Me., 37.
43 Me., 402.
47 Me., 538.
49 Me., 529.
58 Me., 21, 22.
60 Me., 596.

Stockholders' liability in corporations created since March 17, 1831.
R.S., c. 46, § 30.

Creditor may demand of stockholder to show property.
R.S., c. 46, § 25.
47 Me., 538.
53 Me., 478.
60 Me., 597.

Action to be commenced within six months after judgment.
R.S., c. 46, § 26.
36 Me., 27.
44 Me., 321.
45 Me., 190.
60 Me., 597.

Stockholder may set off claims.
R.S., c. 46, § 27.

Treasurer to keep record of stockholders' claims against corporation.
R.S., c. 46, § 28.

CHAP. 46. being thus deprived of their defence, they have a remedy upon the bond of the treasurer.

Clerk to furnish names of stockholders to officer.
R.S., c. 46, § 29.

Except in banks, not liable beyond amount of stock.
1871, c. 205, § 5.
64 Me., 383.
—existing liabilities not affected.
1871, c. 205, § 6.

Capital stock subscribed, is for security of creditors; payment of subscription to be bona fide.
1871, c. 205, § 1.
64 Me., 382.

Withdrawal, directly or indirectly, of any of capital stock void as against judgment creditor of company, receivers or trustees.
1871, c. 205, § 2.
64 Me., 382.

Proceedings may be by action on the case, or bill in equity.
1871, c. 205, § 3.
64 Me., 382.

—stockholder not liable unless debt was contracted during his ownership of stock.
1873, c. 121.

SEC. 43. The clerk of every such corporation, on demand of an officer holding an execution against it, shall furnish him with the names, and, so far as known to him, the residences of every person liable thereon under this chapter, and the amount of his liability.

SEC. 44. No stockholder in any corporation, except in banks, has after February twenty-four, eighteen hundred and seventy-one, been liable for the debts of or claims against such corporation beyond any amounts withdrawn or not paid in as aforesaid; but neither this section nor the four following affect past or future liabilities of any officer of any corporation; nor any liability of any person or corporation or remedy therefor existing on said twenty-fourth day of February.

SEC. 45. The capital stock subscribed for any corporation is declared to be and stands for the security of all creditors thereof; and no payment upon any subscription to or agreement for the capital stock of any corporation, shall be deemed a payment within the purview of this chapter, unless bona fide made in cash, or in some other matter or thing at a bona fide and fair valuation thereof.

SEC. 46. No dividend declared by any corporation from its capital stock or in violation of law, no withdrawal of any portion of such stock, directly or indirectly, no cancellation or surrender of any stock, and no transfer thereof in any form to the corporation which issued it, is valid as against any person who has a lawful and bona fide judgment against said corporation, based upon any claim in tort or contract or for any penalty, or as against any receivers, trustees or other persons appointed to close up the affairs of an insolvent corporation.

SEC. 47. Any person having such judgment, or any such trustees, receivers or other persons appointed to close up the affairs of an insolvent corporation, may, within two years after their right of action herein given accrues, commence an action on the case or bill in equity, without demand or other previous formalities, against any persons (if a bill in equity, jointly or severally, otherwise severally) who have subscribed for or agreed to take stock in said corporation and have not paid for the same; or who have received dividends declared from the capital stock, or in violation of law; or who have withdrawn any portion of the capital stock, or cancelled and surrendered any of their stock, and received any valuable consideration therefor from the corporation, except its own stock or obligation therefor; or who have transferred any of their stock to the corporation as collateral security or otherwise, and received any valuable consideration therefor as aforesaid; and in such action they may recover the amount of the capital stock so remaining unpaid or withdrawn, not exceeding the amounts of said judgments or the deficiency of the assets of such insolvent corporation. But no stockholder is liable for the debts of the corporation not contracted during his ownership of such unpaid stock, nor for any mortgage debt of said corporation; and no action for the recovery of the amounts hereinbefore mentioned

shall be maintained against a stockholder unless proceedings to obtain judgment against the corporation are commenced during the ownership of such stock, or within one year after its transfer by such stockholder is recorded on the corporation books.

CHAP. 46.

—action
limited to
one year.

SEC. 48. A defendant in such suit may prove that he has already in good faith paid by himself or through another person who has assumed his stock or subscription, to any person holding a bona fide judgment, or to any such trustee or receiver, or other person authorized to receive it, or to the corporation itself, the whole or any part of any amounts for which he would be liable under this chapter; or that he has already in good faith and without collusion been sued for, and is still in peril of being compelled to pay, such amounts in whole or part, to some other person, in which latter case the suit may be continued to await, on payment of defendant's costs from term to term; or he may prove that the amounts illegally received by him from said corporation were received more than two years before the claim arose on which such judgment was obtained, or if the suit is by trustees, receivers or other such person, more than two years before the commencement of the legal proceeding by virtue of which such corporation passed into the hands of trustees or receivers; or he may prove the invalidity of such judgment in any particular which could avail the corporation on a writ of error, or that said judgment was not bona fide; or he may prove that he has bona fide claims in contract or tort, several, or joint with other persons, against said corporation, absolute or contingent, or which could be availed of by set-off in court or on execution, for the whole or any part of the amounts for which he would be liable under this chapter; or in case his stock was transferred to such corporation as collateral security or as payment, he may either prove that the same was so transferred in good faith as security or payment for, or of, an anterior liability incurred without any concurrent agreement for the transfer of such stock, and for which the corporation was unable to obtain other sufficient security or payment, or in such case he may prove that whatever sum was received thereon, has been in whole or part repaid to such corporation; and proof of any of such matters is a full or partial defence for such defendant.

What may be
proved by
any of the
defendants.
1871, c. 205, § 4.

SEC. 49. When members of a corporation are liable for its debts, or for any acts of its officers or members, or to contribute for money paid on account of such debts or acts, the amount due may be recovered of such corporation by an action at law, or a bill in equity; and the court may make all necessary orders and decrees.

Stockholders,
paying for
corporation,
may recover
contribution.
R.S., c. 46, § 31.
36 Me., 84.

SEC. 50. When an officer, having an execution against a corporation not created for purposes of education or religion, certifies thereon that he is unable to find personal property of the corporation, the creditor may cause so much of its real estate to be seized and sold at public auction, in the town where it lies, in the manner provided for the sale of real estate of banks, and subject to the same right of redemption, as is necessary to satisfy such execution and incidental charges.

Officer hav-
ing an execu-
tion may sell
real estate in
certain cases.
R.S., c. 46, § 32.
See c. 76,
§§ 43-45.

SEC. 51. Corporations, not created for literary, benevolent, or banking purposes, shall not so divide any of their corporate property as to

Not to divide
capital until
debts paid.

CHAP. 46. reduce their stock below its par value, until all debts are paid, and then only for the purpose of closing their concerns.

R.S., c. 46, § 33.
59 Me., 474.
Judgment creditor may file bill in equity in certain cases.
R.S., c. 46, § 34.

SEC. 52. When such a corporation has unlawfully made a division of any of its property, or has property which cannot be attached, or is not by law attachable, any judgment creditor may file a bill in equity in the supreme judicial court, setting forth the facts, and the names of such persons as are alleged to have possession of any such property, or chooses in action, either before or after division; names of defendants may be struck out or added by leave of court; costs awarded at discretion, and service made on the defendants named, as in other equity suits. They shall in answer thereto, disclose on oath all facts within their knowledge relating to such property in their hands, or received by a division among stockholders. When either of them has the custody of the records of the corporation, he shall produce them and make extracts therefrom and annex them to his answer, as the court directs.

Proceedings, trial and decree in the suit.
R.S., c. 46, § 35.

SEC. 53. The court shall determine, with or without a jury, whether the allegations in the bill are sustained, and it may decree, that any such property shall be paid to such creditor in satisfaction of his judgment, and cause such decree to be enforced as in other chancery cases. Any question arising may, at the election of either party, be submitted to the decision of a jury under the direction of the court.

On dissolution, estate vests in shareholders.
R.S., c. 46, § 36.

SEC. 54. When a corporation is dissolved, its real and personal estate is vested in the persons who were at the time shareholders, as tenants in common according to their interests. (a)

Property of inhabitants of counties, towns, &c., may be taken for debts.
R.S., c. 46, § 37.

SEC. 55. The property of the inhabitants of counties, towns, cities, and other quasi corporations, may be taken to pay any debt due from the body politic, of which they are members. All sums so paid, with interest and costs, may be recovered of such body politic. (b)



CHAPTER 47.

BANKS AND SAVINGS INSTITUTIONS.

BANKS OF DISCOUNT.

- SEC. 1. Banks, except savings banks, their powers, duties and liabilities. To notify secretary of state of acceptance of charter. To be kept in town where originally established. Corporation name.
2. Number and qualification of directors.
 3. Annual meeting for choice of directors, when held and how notified.
 4. Directors may call special meetings; notice, how given. Vacancies.
 5. Directors shall choose one of their number president and fix his pay. Majority may do business; may authorize president or a director to act.
 6. Votes of stockholders, how regulated. Stock owned by or pledged to the bank, not entitled to representation.

(a) 16 Me., 318; 29 Me., 134; 36 Me., 190; 66 Me., 400.

(b) See c. 84, §§ 30-32; 1 Me., 364; 47 Me., 141; 49 Me., 328; 68 Me., 507.