

MAINE STATE LEGISLATURE

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REVISED STATUTES

OF THE

STATE OF MAINE

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VOLUME I



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Sec. 27. Certain proceedings valid. R. S. c. 69, § 27. All plans and descriptions of land and all descriptions of other property taken by any water company for its purposes and uses, filed in the office of the county commissioners of the county where the land or other property taken is situated prior to the 9th day of March, 1889, are valid and legal for all purposes of taking.

124 Me. 64.

Provisions for weekly payment of wages apply to water companies, c. 25, § 38.
Limitation of proceedings to recover damages for land taken by right of eminent domain, c. 99, § 113.
Malicious injury of property of water companies, c. 118, § 13.
Pollution of water supply, c. 124, § 1.

CHAPTER 49.

CORPORATIONS.

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General Provisions

Sec. 1. Application of chapter. R. S. c. 56, § 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.

See c. 46, § 3, re telephone, telegraph, electric, and gas companies; c. 55, § 25, re savings banks; c. 56, § 22, re insurance companies; 39 Me. 37; 58 Me. 20; *113 Me. 536.

Sec. 2. Acts of incorporation may be altered or repealed. R. S. c. 56, § 2. Acts of incorporation passed since March 17, 1831 may be amended, altered, or repealed by the legislature, as if express provision therefor were made in them, unless they contain an express limitation; but this section shall not deprive the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.

See c. 9, § 21, sub-§ XXVIII; 16 Me. 231; 23 Me. 319; 60 Me. 174; 63 Me. 274; 66 Me. 504, 508; *69 Me. 49; 96 Me. 258; 97 Me. 207, *592; 109 Me. 432; *124 Me. 64; 133 Me. 468.

Organization under Special Act

Sec. 3. First meeting. R. S. c. 56, § 3. The 1st meeting of any corporation chartered by special act of the legislature, 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, 7 days before the meeting.

27 Me. 519; 38 Me. 345; 72 Me. 296.

Sec. 4. Capital stock; record of owners. R. S. c. 56, § 4. The capital of corporations incorporated by special act of the legislature shall be fixed and divided into shares; and the names of the owners and the number of shares owned by each shall be entered of record at the 1st meeting. The capital may be subsequently increased as provided in section 71 by adding to the number of shares.

Sec. 5. Certificate of organization. R. S. c. 56, § 5. Before commencing business, the president, treasurer, and a majority of the directors of any corporation chartered by special act of the legislature shall prepare a certificate setting forth the date of approval of its charter, the name and purposes of the corporation, the amount of capital stock, the amount already paid in, the par value of the shares having par value and the number of shares without par value, the names and residences of the owners, the name of the county where it is located, the number and names of the directors, and the name and residence of the clerk, and shall sign and make oath to it. Such certificate shall be recorded in the registry of deeds in the county where its principal office is to be located in a book kept for that purpose, and a copy thereof, certified by such register, shall be filed in the office of the secretary of state, who shall enter the date of filing thereon and on the original certificate to be kept by the corporation and shall record said copy in a book kept for that purpose. From the time of filing such certificate in the office of the secretary of state, the stockholders of said corporation, their successors and assigns, shall be a corporation.

Sec. 6. Fees payable. R. S. c. 56, § 6. The certificate mentioned in the preceding section shall not be received and filed by the secretary of state except upon the payment to him for the use of the state of: \$15 if the capital stock does not exceed \$5,000; \$25 if the capital stock exceeds \$5,000 and does not exceed \$10,000; \$75 if the capital stock exceeds \$10,000 and does not exceed \$50,000; \$125 if the capital stock exceeds \$50,000 and does not exceed \$100,000; \$60 upon every \$100,000 or fraction thereof in excess of \$100,000, if the capital stock exceeds \$100,000, also 10¢ per share and in no case less than \$10 on all shares authorized without par value, provided that the provisions of this section shall not apply to corporations chartered for charitable and benevolent purposes.

See c. 9, § 21, sub-§ XXVIII, re lapses in 2 years unless business commenced.

Sec. 7. Shall not carry on business until certificate is filed; exception. R. S. c. 56, § 7. No corporation created by special act of the legislature, municipal corporations excepted, shall carry on any business whatsoever before filing in the office of the secretary of state the certificate of organization provided by section 5. Whoever, whether named in the act of the legislature or not, conducts and carries on any business whatsoever in the name of such corporation before said certificate is filed shall be personally and individually liable for all contracts and debts of said corporation contracted prior to the filing of said certificate.

The provisions of this section shall apply to all individuals granted special rights and privileges by act of the legislature.

Organization under General Law

Sec. 8. Purposes. R. S. c. 56, § 8. 1937, c. 99, § 1. Three or more persons may associate themselves together by written articles of agreement, for the purpose of forming a corporation with one or more classes of stock either with or without par value to carry on any lawful business anywhere, including corporations for manufacturing, mechanical, mining, or quarrying business; and also corporations whose purpose is the carriage of passengers or freight, or both, upon the high seas, or from port or ports in this state to a foreign port or ports, or to a port or ports in other states, or the carriage of freight or passengers, or both, upon any waters where such corporations may navigate; and excepting corporations for banking, insurance, the ownership, maintenance, or operation of a cemetery or cemeteries, the construction and operation of railroads or aiding the construction thereof, and the business of savings banks, trust companies, loan and building associations, or corporations intended to derive profit from the loan of money except as a reasonable incident to the transaction of other corporate business or where necessary to prevent corporate funds from being unproductive, and safe deposit companies, including the renting of safes in burglar-proof and fire-proof vaults; but corporations may also be formed hereunder to exercise the following corporate purposes in other states and jurisdictions, namely: the construction and operation of railroads or aiding in the construction thereof, telegraph and telephone companies, and gas or electrical companies, and in all such cases, the articles of agreement and certificate of organization shall state that such business is to be carried on only in states and jurisdictions when and where permissible under the laws thereof, and such corporations heretofore organized for the transaction of such business in other states or jurisdictions, if otherwise legally organized and now existing, are declared to be corporations under the laws of this state.

Nothing herein shall be construed to prevent the organization of agricultural credit corporations organized to carry out the provisions of the federal farm loan act, enacted by the 67th congress of the United States, chapter 252, and acts amendatory thereof and additional thereto, and which become such corporations under the provisions of said federal farm loan act. Such agricultural credit corporations shall not be deemed banking corporations or institutions.

See c. 31, § 29, re cooperative marketing; c. 51, re credit unions; 86 Me. 316; 139 Me. 40.

Sec. 9. First meeting; notice of waiver. R. S. c. 56, § 9. Their 1st meeting shall be called by one or more of the signers of said articles, by giving notice thereof, stating the time, place, and purposes of the meeting to each signer, in writing, or by publishing it in some newspaper printed in the county, at least 14 days prior to the time appointed therefor. If all of the signers of said articles shall in writing waive notice and fix a time and place of such meeting, no notice or publication shall be necessary. At such meeting they may organize into a corporation, adopt a corporate name, define the purposes of the corporation, fix the amount of the capital stock having par value, which shall not be less than \$1,000, and divide it into shares, fix the number of shares having no par value, and elect not less than 3 directors, a president, a clerk, treasurer, and any other necessary officers, and may adopt a code of by-laws.

61 Me. 356; 64 Me. 381; 70 Me. 146.

Sec. 10. Certificate of organization; fees payable. R. S. c. 56, § 10. 1931, c. 240, § 1. 1939, c. 30. Before commencing business the president, treasurer, and majority of the directors shall prepare a certificate setting forth the name and purposes of the corporation, the amount of capital stock, the amount already paid in, the par value of the shares having par value and the number of shares without par value, the names and residences of the owners, the name of the county where it is located, and the number and names of the directors, and the name and residence of the clerk and shall sign and make oath to it; said certificate shall be presented to the attorney-general accompanied by a copy thereof or by a data sheet containing all of the information hereinbefore required; and after said certificate has been examined by the attorney-general and been by him certified to be properly drawn and signed and to be conformable to the constitution and laws, it shall be recorded in the registry of deeds in the county where said corporation is located, in a book kept for that purpose, and within 60 days after the day of the meeting at which such corporation is organized, a copy thereof certified by such register shall be filed in the office of the secretary of state, who shall enter the date of filing thereon, and on the original certificate to be kept by the corporation, and shall record said copy in a book kept for that purpose. The oath to said certificate may be made outside the state before a notary public, or a commissioner appointed by the governor to take acknowledgments of deeds in other states, by any subscriber to said certificate who was actually present in the state at the meeting for the organization of the corporation. All certificates verified prior to the 4th day of July, 1915, outside the state before a notary public or such commissioner shall be deemed to comply with this section. Before said certificate is filed in the office of the secretary of state, such corporation shall pay to him for the use of the state: \$10 for each \$100,000 of the capital stock not over \$2,000,000; \$50 for each million dollars of the capital stock from \$2,000,000 to and including \$20,000,000; \$20 for each million dollars of the capital stock over \$20,000,000; also $\frac{1}{2}$ c per share and in no case less than \$10 on all shares authorized without par value, not over 20,000 shares; $\frac{1}{4}$ c per share on all shares authorized without par value from 20,000 shares to and including 2,000,000 shares; and $\frac{1}{5}$ c per share on all shares authorized without par value over 2,000,000 shares.

See c. 15, § 1; c. 17, § 1; and c. 18, § 6, re fees; c. 46, § 3, re organization of telephone, telegraph, electric, and gas companies; 161 Me. 356; 64 Me. 381; 70 Me. 146.

Sec. 11. Quasi-public corporations; fees payable. R. S. c. 56, § 11. No certificate of organization of any corporation for banking, insurance, construction and operation of railroads, or aiding in the construction thereof, the business of trust companies, or corporations intended to derive a profit from the loan or use of money, safe deposit companies, renting of safes and burglar and fire-proof vaults, telegraph and telephone companies, electric or gas light companies, street railroad companies, water companies, or any corporation authorized to exercise the right of eminent domain shall be received and filed by the secretary of state except upon payment to him for the use of the state of: \$25 if the capital stock does not exceed \$5,000; \$50 if the capital stock exceeds \$5,000 and does not exceed \$10,000; \$100 if the capital stock exceeds \$10,000 and does not exceed \$50,000; \$200 if the capital stock exceeds \$50,000 and does not exceed \$100,000; \$75 upon every \$100,000 or fraction thereof in excess of \$100,000, if the capital stock exceeds \$100,000; also 1c per share and in no case less than \$10 on all shares authorized without par value.

Sec. 12. Certificates of organization filed prior to March 15, 1893. R. S. c. 56, § 12. Any corporation organized hereunder prior to the 15th day of March,

1893, which caused the certificate to be recorded in the registry of deeds of the county in which such corporation is described in said certificate to be located, shall be deemed to have complied with the requirements of section 10.

Sec. 13. When organization completed. R. S. c. 56, § 13. From the time of filing the copy of such certificate in the office of the secretary of state, the signer of said articles and their successors and assigns shall be a corporation, the same as if incorporated by a special act, with all the rights and powers, and subject to all the duties, obligations, and liabilities provided by this chapter.

See c. 9, § 21, sub-§ XXVIII, re lapses in 2 years unless business commenced;
c. 46, § 3, re organization of telephone companies, etc.; 61 Me. 356; 64 Me. 381;
70 Me. 146.

Sec. 14. Non-par stock certificates. R. S. c. 56, § 14. In the case of certificates for shares of stock issued under the provisions authorizing the issuance of stock without par value, it shall be unlawful to set forth any par value or value in dollars thereon, or to express any rate of dividend to which the shares represented thereby shall be entitled in terms of percentage of any par or other value. Every such certificate shall have plainly stated on its face the number of shares which it represents and each such share, except as to preferences, rights, limitations, privileges, and restrictions lawfully granted or imposed with respect to any stock or class thereof, shall be deemed to be equal to every other share of the same class. Preferences, rights, limitations, privileges, and restrictions authorized by the laws of this state may be stated in dollars and cents per share.

Corporate Powers. Meetings

Sec. 15. General powers. R. S. c. 56, § 15. 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.

See c. 9, § 21, sub-§ XVII, re corporate seal; 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; 128 Me. 34; 137 Me. 251.

Sec. 16. May do business out of the state. R. S. c. 56, § 16. Any corporation of this state may conduct business in other states, territories, or possessions of the United States, or in foreign countries, and have one or more officers out of the state, and may hold, purchase, mortgage, and convey real estate and personal property out of this state.

Sec. 17. May create two or more kinds of stock. R. S. c. 56, § 17. Every corporation may create two or more kinds of stock with such classes and with such designations, preferences, and voting powers, or restrictions or qualifications thereof, as shall be fixed and determined in the by-laws or by vote of the stockholders at a meeting duly called for the purpose. Restrictions and qualifications of voting power so imposed shall control in all cases where any vote or consent of stockholders is now or hereafter required by statute, unless such statute shall provide expressly to the contrary, and the provision of any statute requiring a specific vote of all, a majority, or a fractional part of the stock issued or of the stock outstanding, or any similar provision, shall be construed as limited by any such restrictions and qualifications.

128 Me. 34.

Sec. 18. Issue of stock for property and services. R. S. c. 56, § 18. Any corporation may purchase mines, manufactories, and other property necessary

for its business, and the stock of any company or companies owning, mining, manufacturing, or producing materials or other property necessary for its business, and issue stock to the amount of the value thereof in payment therefor, and may likewise issue stock for services rendered to such corporation and the stock so issued shall be full paid stock and not liable to any further call or payment thereon; and in the absence of actual fraud in the transaction, the judgment of the directors as to the value of the property purchased, or services rendered, shall be conclusive.

105 Me. 403; 123 Me. 485.

Sec. 19. Issue of non-par stock consideration; division into capital and surplus. R. S. c. 56, § 19. 1931, c. 150. Corporations may issue and dispose of their authorized shares having no par value for such consideration as may be prescribed in the certificate of organization or in the certificate of amendment, or if no consideration is so prescribed, then for such consideration as may be fixed by the stockholders at a meeting duly called and held for the purpose or by the board of directors when acting under general or special authority granted by the stockholders. Any and all shares issued for the consideration prescribed or fixed in accordance with the provisions of this section shall be fully paid and non-assessable. The stockholders at a meeting duly called and held for the purpose or the board of directors when acting under any general or special authority granted by the stockholders may determine at the time of the issue thereof what part of the consideration received for issued shares without par value shall be capital and what part of said consideration shall be paid-in surplus available for dividends and other corporate purposes.

Sec. 20. May retire preferred stock. R. S. c. 56, § 20. Corporations formed pursuant to the provisions of this chapter may provide that preferred stock, both with and without par value, may be called in and retired in such manner and at such price as may be provided in the provision describing the preference of such stock; provided, however, that no preferred stock shall thus be called in or retired if thereby the property and assets of the corporation shall be reduced below the amount of its outstanding debts and liabilities.

Sec. 21. May hold shares of other corporations. R. S. c. 56, § 21. Any corporation organized under this chapter and any corporation organized for manufacturing, mechanical, mining or quarrying business, under special act of the legislature, may purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of the shares of the capital stock of, or any bonds, securities, or evidences of indebtedness created by any other corporation or corporations of this or any other state, territory, or country, and while owners of such stock may exercise all the rights, powers, and privileges of ownership, including the right to vote thereon.

Sec. 22. Power to make and alter by-laws; in whom vested. R. S. c. 56, § 22. 1931, c. 155. 1939, c. 20. The power to make and alter by-laws shall be in the stockholders, but any corporation may, in the certificate of organization, or in any amendment thereto, or by a provision of the by-laws, confer that power upon the directors. By-laws made by the directors under power so conferred may be altered or repealed by the directors or stockholders. Corporations may, among other provisions, 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 date as of which stockholders shall be entitled to vote at any meeting or to receive dividends or rights and whether or

not stock transfer books shall be closed; by whom any and all officers, except president and directors, shall be elected; by whom vacancies in the board of directors or other offices may be filled; the tenure of the several offices, 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 \$20.

*31 Me. 476, 576; 79 Me. 443; 128 Me. 34.

Sec. 23. Right of indemnification. 1943, c. 46. The certificate of incorporation of a corporation or other certificate filed pursuant to law or the by-laws of a corporation or a resolution in a specific case or an amendment to any of the foregoing, adopted by the vote of the holders of record of a majority of the outstanding shares at the time entitled to vote for the election of directors, or in case of a non-stock corporation, by a vote of a majority of the members, may provide that each officer and each director of the corporation shall be indemnified by the corporation against expenses actually and necessarily incurred by him in connection with the defense of any action, suit, or proceeding in which he is made a party by reason of his being or having been an officer or a director of the corporation, except in relation to matters as to which he shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of his duties as such officer or director; such right of indemnification shall not be deemed exclusive of any other rights to which he may be entitled under any by-law, agreement, vote of stockholders, or otherwise.

Sec. 24. Meetings by consent. R. S. c. 56, § 23. When all the members of a corporation are present in person or by proxy at a meeting and sign a written consent on the record thereof, such meeting is legal.

Sec. 25. Meetings called by a justice of the peace. R. S. c. 50, § 24. When a meeting of any corporation cannot be otherwise called, 3 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 section 3. 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.

12 Me. 400.

Sec. 26. Presiding officer at meeting called by a justice of the peace. R. S. c. 56, § 25. 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. 27. Proxies; general powers of attorney. R. S. c. 56, § 26. Shareholders may be represented by proxies granted not more than 6 months 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 anyone by the charter or by-laws.

Sec. 28. Representation of pledge stock. R. S. c. 56, § 27. 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.

Sec. 29. Officers holding over; election after annual meeting; objections. R. S. c. 56, § 28. When a corporation fails to hold its annual meeting on the day appointed or fails to elect officers at such meeting, 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 6 months after such election, written objections thereto, and their acts shall be considered legal until others are chosen and qualified in their stead.

30 Me. 550; 56 Me. 323.

Sec. 30. New election if objections filed. R. S. c. 56, § 29. 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.

Officers and Their Duties

Sec. 31. Officers of corporation; qualifications of directors; treasurer to give bond; clerk to be sworn; directors may be divided into classes; may hold meetings without this state. R. S. c. 56, § 30. Corporations shall have a president, directors, clerk, treasurer, and any other desirable officers. Such officers shall be chosen annually and shall continue in office until others are chosen and qualified in their stead. There shall not be less than 3 directors, one of whom shall be by them elected president. Directors must be and remain stockholders, except that a member of another corporation, which owns stock and has a right to vote thereon, may be a director. The treasurer shall give bond for the faithful discharge of his duties, in such sum and with such sureties as are required. The clerk shall be sworn and shall record all votes of the corporation in a book kept for that purpose; nothing herein shall prohibit corporations from providing by their by-laws for the division of their directors into classes and their election for a longer term than 1 year. After the certificate of organization required by law is filed in the office of the secretary of state, directors of all corporations not charged with the performance of any public duty within the state may hold meetings without the state and there transact business and perform all corporate acts not expressly required by statute to be performed within the state. Directors of such corporations may act through committees whose powers shall be defined in the by-laws.

See c. 80, § 37, re town officers; 30 Me. 550; 41 Me. 87.

Sec. 32. Appointment of directors by court; proceedings. R. S. c. 56, § 31. If any corporation organized under the general laws of the state shall fail to elect directors within 6 months after the time provided in its by-laws for the annual meeting, the supreme judicial court and the superior court shall have jurisdiction in equity, upon application by any one or more of its stockholders holding at least 50% of the capital stock issued, to appoint a board of directors for such corporation not exceeding in membership the number authorized by the by-laws.

Such appointments may be made from among the stockholders or otherwise as the court may see fit. The application shall be made by petition filed in the county where such corporation is located and shall be brought in behalf of all stockholders desiring to be joined therein; such notice shall be given to the corporation and its stockholders as the court may direct. Such appointees of the court shall have the same rights, powers, and duties and the same tenure of office as directors duly elected by the stockholders at the annual meeting held at the time prescribed therefor in the by-laws, next prior to the date of the court's appointment, would have had.

Sec. 33. Clerk's office, books, etc., where kept; records and list of stockholders open to inspection and to be produced in court. R. S. c. 56, § 32. 1931, c. 1. All corporations existing by virtue of the laws of this state shall have a clerk who is a resident of this state and shall keep, at some fixed place within the state, a clerk's office where shall be kept records of all stockholders' meetings, and shall file with said clerk, at least once a year on the date set for holding the annual meeting of stockholders, as also at each special meeting of stockholders, a record showing a true and complete list of all stockholders, their residences, and the amount of stock held by each; and such record, or a duly proved copy thereof, shall be competent evidence in any court of this state to prove who are stockholders in such corporation and the amount of stock held by each stockholder. Such records and list of stockholders shall be open at all reasonable hours 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. The above provisions as to list of stockholders shall not apply to any corporation doing business in this state and having a treasurer's office at some fixed place in the state where a stock-book is kept giving the names, residences, and amount of stock of each stockholder.

*109 Me. 409; *111 Me. 386; 114 Me. 259; *117 Me. 409; *118 Me. 378; 119 Me. 402; 122 Me. 91; 123 Me. 443; 132 Me. 67.

Sec. 34. Preventing use of records and books, punished. R. S. c. 56, § 33. Any officer or member of a corporation, who prevents access to and use of the records and books as provided in the preceding section, is liable for all damages occasioned thereby, in an action on the case.

Sec. 35. Certificate of election of clerk; an attested copy evidence. R. S. c. 56, § 34. Whenever there is a change in the office of clerk of a corporation, the clerk shall, within 20 days after the acceptance of the office, file a certificate of his election in the registry of deeds in the county or district where the corporation is located, 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.

Sec. 36. Resignation of clerk. R. S. c. 56, § 35. The clerk of any corporation may resign his office as clerk by filing his resignation with the register of deeds in the county where the certificate of his election was filed; if no such certificate of election was filed, then his resignation may be filed with the register of deeds in the county where such certificate of election ought, according to law, to have been filed; said resignation shall take effect from and after the time of the receipt of the same by such register of deeds.

Sec. 37. Neglect to publish statement; penalty. R. S. c. 56, § 36. 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 to do so, such officer, in addition to penalties already provided, forfeits \$500 to the prosecutor, to be recovered by action of debt or action on the case.

See c. 55, §§ 31, 64, re savings banks; c. 56, §§ 53, 78, re insurance companies; 77 Me. 493.

Sec. 38. Dividends; limitation on payment; penalty. R. S. c. 56, § 37. 1933, c. 53. Dividends of profit may be made by the directors, but the capital shall not thereby be reduced until all debts due from the corporation are paid. Any officer or member, who votes or aids to make a dividend in violation hereof, shall be punished by a fine of not more than \$2,000, and by imprisonment for less than 1 year; and all sums received for such dividends may be recovered by any creditor of the corporation in an action on the case.

See §§ 98, 111, 119.

Annual Returns

Sec. 39. Contents; where filed. R. S. c. 56, § 38. Every corporation incorporated under the laws of this state, excepting religious, charitable, educational, and benevolent corporations, and excepting such corporations as may be organized under the provisions of the first 18 sections of chapter 50, and such corporations as are liable to a franchise tax other than the tax provided for in section 102 of chapter 14, and such corporations as have been or may hereafter be excused from filing annual returns under the provisions of section 43 so long as their franchises remain unused, shall on or before the 1st day of June, annually, make a return to the secretary of state, signed by its president or treasurer, verified under oath, containing the names of its directors, president, treasurer, and clerk, with the residence of each, the location of its principal office in this state, and the amount of its authorized capital stock; and for this purpose the secretary of state shall furnish blanks in proper form and safely keep in his office all such returns.

108 Me. 275.

Sec. 40. Deposit in post-office sufficient; penalty for neglect. R. S. c. 56, § 39. A deposit of the return required in the preceding section 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 \$500, to be recovered in an action of debt, to be prosecuted in the name of the state by the attorney-general.

76 Me. 411.

Sec. 41. Action of debt to collect penalty. R. S. c. 56, § 40. 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, and shall make itemized return thereof in his annual report. The secretary of state, on or before the 1st day of July, annually, shall furnish the attorney-general with a statement showing which of said corporations, if any, have failed to comply with the preceding section, with such other memoranda from his office as will aid the attorney-general in obtaining service upon such delinquent corporation. 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 2 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. 42. Discontinuance of action. R. S. c. 56, § 41. If within 30 days from the commencement of an action under section 41 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. 43. When excused from filing returns. R. S. c. 56, § 42. The attorney-general, upon application by any corporation and satisfactory proof that it has ceased to transact business and that it is not indebted to the state on account of franchise taxes, shall file a certificate of the fact with the secretary of state and shall give a duplicate certificate to the corporation; and thereupon such corporation shall be excused from filing annual returns with the secretary of state.

Assessments and Proceedings on Sale of Stock

Sec. 44. Assessments; sale of shares for neglect to pay. R. S. c. 56, § 45. Assessments, not exceeding the amount originally limited for a share, may be made on all shares, subscribed and not paid for, to be paid to the treasurer, in such instalments and at such times as are ordered. If a stockholder neglects to pay such assessments on his share for 30 days, the treasurer may sell at public auction a sufficient number of them to pay the same with incidental charges.

Sec. 45. Proceedings on sale of stock. R. S. c. 56, § 46. The treasurer, before the sale, shall give notice of the time and place thereof, of the number of shares on which the assessment is due, and of the amount due on each share, in a newspaper printed in the town, if any, if not, in the county where the office of the clerk of such corporation is established, otherwise in the state paper, 3 weeks successively, and such notice shall likewise be given in 1 other leading newspaper printed in the state; the notice in said papers shall, in all cases, be printed on the financial pages of said papers. Written or printed notice as aforesaid shall also be given to each stockholder of record in the corporation, at his last known address at least 10 days before the sale. At said sale the treasurer of the corporation shall announce the market price of the stock to be sold, or if the stock has no market price, the treasurer shall make a statement of the financial condition of the company, showing what the stock is worth. If no bids are received at said sale for said stock, the treasurer of the corporation shall bid in said stock in behalf of the corporation, to be again sold by the corporation as the directors may vote; provided, however, that no rights of creditors of the corporation shall be thereby affected and such stock, so long as held by the corporation, shall have no voting power. The treasurer's certificate of the sale of such shares, recorded as other transfers, passes the title to the purchaser.

Transfer of Shares of Stock Issued Prior to July 9, 1943

Sec. 46. Transfer of shares of stock issued prior to July 9, 1943; how made. R. S. c. 56, § 43. 1943, c. 266. When the capital of a corporation is divided into shares, the certificates thereof issued prior to July 9, 1943 may be transferred by indorsement and delivery. The delivery of a certificate of stock of a corporation to a bona fide purchaser or pledgee for value, together with a written transfer of the same or a written power of attorney to sell, assign, and transfer

the same, signed by the owner of the certificate, shall be a sufficient delivery to transfer the title against all parties.

See c. 42, § 28, re steam railroads; c. 120, § 4, re penalty for issuing false certificates or pledging genuine certificates without authority; 20 Me. 305; 49 Me. 317; 68 Me. 68; *106 Me. 479; 130 Me. 123.

Sec. 47. Transfer prior to July 9, 1943; status before record. R. S. c. 56, § 44. 1943, c. 266. No transfer prior to July 9, 1943 shall affect the right of the corporation to pay any dividend due upon the stock, or to treat the holder of record as the holder in fact, until such transfer is recorded upon the books of the corporation or a new certificate is issued to the person to whom it has been so transferred.

*106 Me. 479; 130 Me. 123.

Sec. 48. Issuance of certificates of shares. R. S. c. 56, § 43. Certificates of shares with the seal of the corporation affixed shall be issued to those entitled to them by transfer or otherwise, signed by such officer or officers as the by-laws shall prescribe, but where any such certificate is signed by a transfer agent or transfer clerk and by a registrar, the signatures of any such officer or officers and the seal of the corporation upon such certificate may be facsimiles, engraved or printed.

See c. 120, § 4, re penalty for issuing false and pledging genuine certificates of stock without authority; *106 Me. 479; 130 Me. 123.

Transfer of Shares of Stock Issued on or after July 9, 1943

Sec. 49. How title to certificates and shares may be transferred. 1943, c. 266, § 1. Title to a certificate and to the shares represented thereby can be transferred only:

I. By delivery of the certificate indorsed either in blank or to a specified person by the person appearing by the certificate to be the owner of the shares represented thereby, or

II. By delivery of the certificate and a separate document containing a written assignment of the certificate or a power of attorney to sell, assign, or transfer the same or the shares represented thereby, signed by the person appearing by the certificate to be the owner of the shares represented thereby. Such assignment or power of attorney may be either in blank or to a specified person.

The provisions of this section shall be applicable although the charter or articles of incorporation or code of regulations or by-laws of the corporation issuing the certificate and the certificate itself provide that the shares represented thereby shall be transferable only on the books of the corporation or shall be registered by a registrar or transferred by a transfer agent.

Sec. 50. Powers of those lacking full legal capacity and of fiduciaries not enlarged. 1943, c. 266, § 2. Nothing in sections 49 to 70, inclusive, shall be construed as enlarging the powers of an infant or other person lacking full legal capacity, or of a trustee, executor, or administrator, or other fiduciary to make a valid indorsement, assignment, or power of attorney.

Sec. 51. Corporation not forbidden to treat registered holder as owner. 1943, c. 266, § 3. Nothing in sections 49 to 70, inclusive, shall be construed as forbidding a corporation:

I. To recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner, or

II. To hold liable for calls and assessments a person registered on its books as the owner of shares.

Sec. 52. Title derived from certificate extinguishes title derived from a separate document. 1943, c. 266, § 4. The title of a transferee of a certificate under a power of attorney or assignment not written upon the certificate, and the title of any person claiming under such transferee, shall cease and determine if, at any time prior to the surrender of the certificate to the corporation issuing it, another person, for value in good faith, and without notice of the prior transfer, shall purchase and obtain delivery of such certificate with the indorsement of the person appearing by the certificate to be the owner thereof, or shall purchase and obtain delivery of such certificate and the written assignment or power of attorney of such person, though contained in a separate document.

Sec. 53. Who may deliver a certificate. 1943, c. 266, § 5. The delivery of a certificate to transfer title in accordance with the provisions of section 49 is effectual, except as provided in section 55, though made by one having no right of possession and having no authority from the owner of the certificate or from the person purporting to transfer the title.

Sec. 54. Indorsement effectual in spite of fraud, duress, mistake, revocation, death, incapacity, or lack of consideration or authority. 1943, c. 266, § 6. The indorsement of a certificate by the person appearing by the certificate to be the owner of the shares represented thereby is effectual, except as provided in section 55, though the indorser or transferor:

I. was induced by fraud, duress, or mistake to make the indorsement or delivery; or

II. has revoked the delivery of the certificate, or the authority given by the indorsement or delivery of the certificate; or

III. has died or become legally incapacitated after the indorsement, whether before or after the delivery of the certificate; or

IV. has received no consideration.

Sec. 55. Rescission of transfer. 1943, c. 266, § 7. Unless the certificate has been transferred to a purchaser for value in good faith without notice of any facts making the transfer wrongful, or the injured person has elected to waive the injury or has been guilty of laches in endeavoring to enforce his rights, the possession of a certificate may be reclaimed and the transfer thereof rescinded:

I. If the indorsement or delivery of the certificate:

A. was procured by fraud or duress, or

B. was made under such mistake as to make the indorsement or delivery inequitable; or

II. If the delivery of the certificate was made:

A. without authority from the owner, or

B. after the owner's death or legal incapacity.

Sec. 56. Rescission of transfer of certificate does not invalidate subsequent transfer by transferee in possession. 1943, c. 266, § 8. Although the transfer of a certificate or of shares represented thereby has been rescinded or set aside, nevertheless, if the transferee has possession of the certificate or of a new certificate representing part or the whole of the same shares of stock, a subsequent transfer of such certificate by the transferee, mediately or immediately, to a

purchaser for value in good faith, without notice of any facts making the transfer wrongful, shall give such purchaser an indefeasible right to the certificate and the shares represented thereby.

Sec. 57. Delivery of unindorsed certificate imposes obligation to indorse. 1943, c. 266, § 9. The delivery of a certificate by the person appearing by the certificate to be the owner thereof without the indorsement requisite for the transfer of the certificate and the shares represented thereby, but with intent to transfer such certificate or shares, shall impose an obligation, in the absence of an agreement to the contrary, upon the person so delivering to complete the transfer by making the necessary indorsement. The transfer shall take effect as of the time when the indorsement is actually made. This obligation may be specifically enforced.

Sec. 58. Ineffectual attempt to transfer amounts to a promise to transfer. 1943, c. 266, § 10. An attempted transfer of title to a certificate or to the shares represented thereby without delivery of the certificate shall have the effect of a promise to transfer and the obligation, if any, imposed by such promise shall be determined by the law governing the formation and performance of contracts.

Sec. 59. Warranties on sale of certificate. 1943, c. 266, § 11. A person who for value transfers a certificate, including one who assigns for value a claim secured by a certificate, unless a contrary intention appears, warrants:

- I. That the certificate is genuine,
- II. That he has a legal right to transfer it, and
- III. That he has no knowledge of any fact which would impair the validity of the certificate.

In the case of an assignment of a claim secured by a certificate, the liability of the assignor upon such warranty shall not exceed the amount of the claim.

Sec. 60. No warranty implied from accepting payment of a debt. 1943, c. 266, § 12. A mortgagee, pledgee, or other holder for security of a certificate, who in good faith demands or receives payment of the debt for which such certificate is security, whether from a party to a draft drawn for such debt or from any other person, shall not by so doing be deemed to represent or to warrant the genuineness of such certificate or the value of the shares represented thereby.

Sec. 61. No attachment or levy upon shares unless certificate surrendered or transfer enjoined. 1943, c. 266, § 13. No attachment or levy upon shares of stock for which a certificate is outstanding shall be valid until such certificate be actually seized by the officer making the attachment or levy, or be surrendered to the corporation which issued it, or its transfer by the holder be enjoined. Except where a certificate is lost or destroyed, such corporation shall not be compelled to issue a new certificate for the stock until the old certificate is surrendered to it.

Sec. 62. Creditor's remedies to each certificate. 1943, c. 266, § 14. A creditor whose debtor is the owner of a certificate shall be entitled to such aid from courts of appropriate jurisdiction, by injunction and otherwise, in attaching such certificate or in satisfying the claim by means thereof as is allowed at law or in equity in regard to property which cannot readily be attached or levied upon by ordinary legal process.

Sec. 63. There shall be no lien or restriction unless indicated on certificate. 1943, c. 266, § 15. There shall be no lien in favor of a corporation upon the

shares represented by a certificate issued by such corporation and there shall be no restriction upon the transfer of shares so represented by virtue of any by-laws of such corporation, or otherwise, unless the right of the corporation to such lien or the restriction is stated upon the certificate.

Sec. 64. Alteration of certificate does not divest title to shares. 1943, c. 266, § 16. The alteration of a certificate, whether fraudulent or not and by whomsoever made, shall not deprive the owner of his title to the certificate and the shares originally represented thereby, and the transfer of such a certificate shall convey to the transferee a good title to such certificate and to the shares originally represented thereby.

Sec. 65. Lost or destroyed certificate. 1943, c. 266, § 17. Where a certificate has been lost or destroyed, a court of competent jurisdiction may order the issue of a new certificate therefor on service of process upon the corporation and on reasonable notice by publication and in any other way which the court may direct to all persons interested, and upon satisfactory proof of such loss or destruction, and upon the giving of a bond with sufficient surety to be approved by the court to protect the corporation or any person injured by the issue of the new certificate from any liability or expense which it or they may incur by reason of the original certificate remaining outstanding. The court may also in its discretion order the payment of the corporation's reasonable costs and counsel fees.

The issue of a new certificate under an order of the court as provided in this section shall not relieve the corporation from liability in damages to a person to whom the original certificate has been or shall be transferred for value without notice of the proceedings or of the issuance of the new certificate.

Sec. 66. Rule for cases not provided for by §§ 49-70. 1943, c. 266, § 18. In any case not provided for by sections 49 to 70, inclusive, the rules of law and equity, including the law merchant, and in particular the rules relating to the law of principal and agent, executors, administrators and trustees, and to the effect of fraud, misrepresentation, duress or coercion, mistake, bankruptcy, or other invalidating cause, shall govern.

Sec. 67. Definition of indorsement. 1943, c. 266, § 20. A certificate is indorsed when an assignment or a power of attorney to sell, assign, or transfer the certificate or the shares represented thereby is written on the certificate and signed by the person appearing by the certificate to be the owner of the shares represented thereby, or when the signature of such person is written without more upon the back of the certificate. In any of such cases a certificate is indorsed though it has not been delivered.

Sec. 68. Definition of person appearing to be the owner of certificate. 1943, c. 266, § 21. The person to whom a certificate was originally issued is the person appearing by the certificate to be the owner thereof, and of the shares represented thereby, until and unless he indorses the certificate to another specified person, and thereupon such other specified person is the person appearing by the certificate to be the owner thereof until and unless he also indorses the certificate to another specified person. Subsequent special indorsements may be made with like effect.

Sec. 69. Other definitions; name of §§ 49-70. 1943, c. 266, §§ 22, 25. In sections 49 to 70, inclusive, unless the context or subject matter otherwise requires:

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"Certificate" means a certificate of stock in a corporation organized under the laws of this state or of another state whose laws are consistent with said sections.

"Delivery" means voluntary transfer of possession from one person to another.

"Person" includes a corporation or partnership or two or more persons having a joint or common interest.

To "purchase" includes to take as mortgagee or as pledgee.

"Purchaser" includes mortgagee and pledgee.

"Shares" means a share or shares of stock in a corporation organized under the laws of this state or of another state whose laws are consistent with the provisions of sections 49 to 70, inclusive.

"State" includes state, territory, district and insular possession of the United States.

"Transfer" means transfer of legal title.

"Title" means legal title and does not include a merely equitable or beneficial ownership or interest.

"Value" is any consideration sufficient to support a simple contract. An antecedent or pre-existing obligation, whether for money or not, constitutes value where a certificate is taken either in satisfaction thereof or as security therefor.

A thing is done "in good faith" when it is in fact done honestly, whether it be done negligently or not.

Sections 49 to 70, inclusive, may be cited as the "Uniform Stock Transfer Act."

Sec. 70. §§ 49-70 do not apply to certificates issued prior to July 9, 1943; interpretation shall give effect to purpose of uniformity. 1943, c. 266, §§ 19, 23. The provisions of sections 49 to 70, inclusive, apply only to certificates issued on or after July 9, 1943, and shall be so interpreted and construed as to effectuate the general purpose to make uniform the law of those states which enact them.

Changes in Charter or Certificate of Organization

Sec. 71. Increase in capital stock; change of purposes or number of directors; fees payable; changes in certificate of organization, how made. R. S. c. 56, §§ 47, 48, 49, 50, 56. 1931, c. 182, §§ 1, 2. 1939, c. 62. 1941, cc. 1, 206. The stockholders of any corporation may, at any meeting, the call for which shall give notice of the proposed action, by a vote representing a majority of the voting power, except as herein otherwise provided, increase or decrease its authorized capital stock, change the number or par value of its shares or their classifications, change shares with par value into an equal or different number of shares without par value or shares without par value into an equal or different number either with or without par value, change the number of its directors, and, if not specially chartered, change its purposes by altering, abridging, or enlarging the same, or make any other change or alteration in its certificate of organization as originally filed or subsequently amended that may be desired, provided such change or alteration is not otherwise specifically provided for and would be proper to insert in an original certificate of organization, and the corporation shall file a certificate setting forth such changes with the secretary of state, who shall duly record the same, within 20 days thereafter, and thereupon said changes shall take effect; provided that every certificate of change of purposes shall be submitted to the attorney-general for examination and shall not be filed until it has been certified by him to be properly drawn and signed and to be conformable to the constitution

and laws and that he is satisfied that such change of purposes is made in good faith and not for the purpose of avoiding payment of fees or taxes to the state.

Whenever issued shares having par value are changed into the same or a greater or less number of shares without par value, whether of the same or of a different class or classes of stock, and whenever issued shares without par value are changed into other shares without par value to a greater or lesser number, whether of the same or of a different class or classes, the amount of capital represented by the new shares in the aggregate shall be the same as the aggregate amount of capital represented by the shares so changed, and the certificate setting forth any such changes, the filing fee for which shall be \$5, shall set forth that the capital will not be reduced under or by reason of such amendment.

If any proposed change from 1 kind or class of stock to another kind or class would alter the preferences given to any one or more classes of stock by taking away any right or preference previously belonging thereto, then the holders of the stock of each class of stock so affected by the change shall be entitled to vote as a class upon such change, whether such class be otherwise entitled to vote or not; and the affirmative vote of 80% in interest of each such class of stock so affected by the change shall be necessary to the adoption thereof, in addition to the affirmative vote of a majority of every other class of stock entitled to vote thereon.

The corporation, except as herein otherwise provided, shall pay to the secretary of state for the use of the state for any increase in the amount of its authorized capital stock an amount, in no case less than \$10, equal to the amount that a like corporation organized with such increased authorized capitalization would have to pay in excess of one organized with the old authorized capitalization. For every change of purposes, the corporation shall pay to the secretary of state for the use of the state the sum of \$20 before he shall be authorized to receive any certificate of change of purposes.

Whenever the outstanding capital stock of any corporation is increased by an issue of additional shares having a right to vote, all stockholders having a right to vote at the time of the issue of any such shares shall enjoy a preemptive right at such time to subscribe thereto, unless such right shall be negated by some statute applicable thereto, by the charter or by-laws of the corporation, or by the provisions of a plan of reorganization of any corporation at any time reorganized under the provisions of the act of congress of July 1, 1898 entitled "An Act to Establish a Uniform System of Bankruptcy Throughout the United States", or under the provisions of an act of congress of August 26, 1935 entitled "Public Utility Holding Company Act of 1935", as now or hereafter amended or supplemented.

Provisions of the charter or by-laws relating to preemptive rights may be adopted or amended at any time by the stockholders having a right to vote at any meeting, the call for which shall give notice of the proposed action, by 90% of the shares which are present or represented at the meeting.

Sec. 72. Reduction of capital stock. R. S. c. 56, §§ 51, 52, 53, 54, 55. 1931, c. 183, §§ 1, 2. Any corporation may reduce its capital at any time by the written consent of stockholders of record representing a majority of the voting power on such a proposal or by resolution adopted by stockholders of record representing a majority of the voting power on such a proposal, at a meeting of the stockholders duly called, when notice shall have been given of such proposed action in the call therefor. A certificate stating the fact of such consent or the adoption of such resolution shall be made by the clerk of the corporation and filed with the secretary of state within 20 days after the date of such consent or the adoption

of such resolution. Upon such filing the capital of the corporation shall thereby be so reduced. No such reduction shall be made in the capital of the corporation unless the assets of the corporation remaining after such reduction are sufficient to pay any debts, the payment of which shall not have been otherwise provided for, and said certificate shall so state.

Such reduction of the capital of the corporation may be effected:

I. by reducing the par value of shares of any class of stock having par value or the amount of capital represented by shares of stock having no par value, or

II. by retiring shares already owned by the corporation, or

III. by retiring or reducing pro rata the outstanding stock of any class, or

IV. by the exchange of stock having par value for stock having no par value, or

V. by the exchange by the holders of outstanding stock of any class of the stock of such class held by them for a decreased number of shares of stock of the same class or for the same or a different number of shares of stock of a different class of stock, or

VI. by the purchase of shares for retirement either pro rata from all holders of shares of that class of stock or by purchasing such shares from time to time in the open market or at private sale, in both cases at not exceeding such price or prices as may be fixed or approved by the stockholders entitled to vote upon the reduction of capital to be effected in that manner; provided, however, that nothing herein contained shall be construed as preventing a corporation from purchasing its own shares of stock when it may legally do so, upon authority of its board of directors.

If shares having a par value are retired, an amount not exceeding the aggregate par value of such shares may be charged against or paid out of the capital of the corporation in respect of such shares having par value, and if shares having no par value are retired, an amount not exceeding that part of the capital of the corporation represented by such shares pursuant to the provisions of section 19 may be charged against or paid out of the capital of the corporation in respect of such shares having no par value.

Stock retired pursuant to the provisions of this section shall have the status of authorized but unissued stock, and such authorized unissued stock may be reduced pursuant to the provisions of section 71 either simultaneously with or subsequently to the reduction of capital authorized hereunder.

This section shall not be taken as implying that the capital of any corporation could not have been so reduced under the law as it existed prior to July 3, 1931; and all reductions of capital which could be accomplished under this section, with respect to which a certificate or notice has been filed with the secretary of state prior to said date, are declared to have been valid.

Sec. 73. Reorganizations under National Bankruptcy Act. 1939, c. 11.

I. Any corporation now or hereafter organized under this chapter or existing under the laws of this state a plan of reorganization of which, pursuant to the provisions of the act of congress of July 1, 1898, entitled "An Act to Establish a Uniform System of Bankruptcy Throughout the United States", as now or hereafter amended and supplemented (herein referred to as the National Bankruptcy Act), has been or shall be confirmed by the decree or order of a court of competent jurisdiction, shall have full power and authority to put into effect and carry out the plan and the decrees and orders of the court or judge

relative thereto and may take any proceeding and do any act provided in the plan or directed by said decrees and orders, without further action by its directors or stockholders. Such power and authority may be exercised, and such proceedings and acts may be taken, as may be directed by such decrees or orders, by the trustee or trustees of such corporation appointed in the reorganization proceedings (or a majority thereof), or if none be appointed and acting, by designated officers of the corporation, or by a master or other representative appointed by the court or judge, with like effect as if exercised and taken by unanimous action of the directors and stockholders of the corporation.

II. Such corporation may, in the manner above provided, but without limiting the generality or effect of the foregoing, and always in accordance with the plan of reorganization so confirmed, alter, amend, or repeal its by-laws; change its name; constitute or reconstitute and classify or reclassify its board of directors, and name, constitute, and appoint directors and officers in place of or in addition to all or some of the directors or officers then in office; amend its certificate of organization and make any change in its capital or capital stock, including the cancellation in whole or in part of any or all classes of existing stock, with or without the substitution of a new class or classes of stock, whether or not such change would alter the preferences given to any one or more classes of stock by taking away any right or preference previously belonging thereto, or may make any amendment, change, alteration, or provision authorized by this chapter; be dissolved, merge, or consolidate, sell, lease, or in any manner part with its franchises or property, or transfer all or part of its assets as permitted by this chapter; change the location of its principal office; authorize and fix the terms, manner, and conditions of the issuance of bonds, debentures, or other obligations, and the security if any therefor, whether or not the same be convertible into stock of any class, or bearing warrants or other evidences of optional rights to purchase or subscribe for stock of any class.

III. No stockholder of any such corporation shall have the right of appraisal and payment for his shares provided in this chapter in a proceeding to which this section is applicable, except as otherwise provided in such plan of reorganization.

IV. A certificate, executed as hereinafter provided, of any amendment, change or alteration, or of dissolution, or of any merger or consolidation, made by such corporation pursuant to the foregoing provisions, shall be filed in the office of the secretary of state, and a certified copy thereof recorded in the office of the register of deeds of the county in which the principal place of business is located, and shall thereupon become effective in accordance with its terms and the provisions hereof. Such certificate shall be made, executed, and acknowledged, as may be directed by such decrees or orders, by the trustee or trustees appointed in the reorganization proceedings (or a majority thereof), or if none be appointed and acting, by designated officers of the corporation, or by a master or other representative appointed by the court or judge, and shall certify that provision for the making of such certificate is contained in the plan of reorganization or in a decree or order of the court or judge relative thereto; and that the plan has been confirmed, as provided in the National Bankruptcy Act.

V. The provisions of this section shall cease to apply to such corporation upon the entry of a final decree in the reorganization proceedings closing the case and discharging the trustee or trustees, if any.

VI. On filing any certificate made or executed pursuant to the provisions of this section, there shall be paid to the secretary of state for the use of the state

the same fees as are payable by corporations not in reorganization upon the filing of like certificates.

See c. 18, § 6, re fees payable to secretary of state by corporations.

Sec. 74. Change of name; certificate shall be filed in registry of deeds. R. S. c. 56, § 57. 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 relating to such change of name, 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; provided that whenever any corporation, required by law to make returns to any official or department of the state, shall change its name under the general laws of the state, or under any special act of the legislature, such change shall not take effect and such new name shall not be used until said corporation shall have filed with said official or said department a certified copy of the vote of the corporation relative thereto. A certificate of the change of name of a corporation shall be filed by the clerk of the corporation in the registry of deeds of the county in which the corporation has its location, within 20 days after the proceedings of the meeting are returned to the office of the secretary of state.

See c. 42, § 57, re filing of certificate of steam railroads; c. 50, § 7, re change of name of corporations without capital stock; 68 Me. 84.

Sec. 75. Change of location; certificates shall be filed in registries of deeds. R. S. c. 56, § 58. Any corporation organized under this chapter at a legal meeting of its stockholders, by a vote representing a majority of the stock issued and outstanding, having voting power as provided by its by-laws, may change its location from one county to another in the state, and the corporation shall file, by its clerk or other officer, in the registry of deeds in each of said counties, within 20 days after such change of location, the certificate required by section 35.

Sec. 76. Certificate of every change shall be filed with secretary of state. R. S. c. 56, § 59. Whenever a corporation shall make a change in its charter or certificate of organization, in any manner, for the more convenient transaction of its business, it shall forward a notice of such change to the secretary of state, who shall record the same in a book kept for that purpose.

Trusts Prohibited

Sec. 77. Formation of trusts forbidden. R. S. c. 56, § 60. It shall be unlawful for any firm or incorporated company, or any number of firms or incorporated companies, or any unincorporated company, or association of persons or stockholders, organized for the purpose of manufacturing, producing, refining, or mining any article or product which enters into general use and consumption by the people, to form or organize any trust, or to enter into any combination of firms, incorporated or unincorporated companies, or association of stockholders, or to delegate to any one or more board or boards of trustees or directors the power to conduct and direct the business of the whole number of firms, corporations, companies, or associations which may have formed, or which may propose to form a trust, combination, or association inconsistent with the provisions of this section and contrary to public policy. No association or corporation organized for the sole purpose of marketing fish, shell-fish, or any of the fish

products or agricultural products of this state, the members of, or stockholders in which are actually engaged in the production of such products, or in the selling, canning, or otherwise preserving of the same, shall be deemed to be a conspiracy or a combination or in restraint of trade or an attempt to lessen competition or to fix prices arbitrarily; nor shall the marketing contracts and agreements between such association or corporation and its members or stockholders be considered illegal as such or in unlawful restraint of trade or as part of a conspiracy or combination to accomplish an improper or illegal purpose.

See c. 124, § 37, re contracts in restraint of trade.

Sec. 78. Evidence of interest in any trust not to have legal recognition. R. S. c. 56, § 61. No certificate of stock or other evidence of interest in any trust, combination, or association, as named in the preceding section, shall have legal recognition in any court in this state, and any deed of real estate given by any person, firm, or corporation for the purpose of becoming interested in such trust, combination, or association, or any mortgage given by the latter to the seller, as well as all certificates growing out of such transaction, shall be void.

121 Me. 18.

Sec. 79. Penalty for being connected with any trust. R. S. c. 56, § 62. Any firm, incorporated or unincorporated company, or association of persons or stockholders, who shall enter into or become interested in such trust, combination, or association, shall be punished by a fine of not less than \$5,000, nor more than \$10,000.

Rights of Minority Stockholders

Sec. 80. Corporation not to sell franchises or entire property without consent of stockholders. R. S. c. 56, § 63. 1931, c. 225, § 5. 1937, c. 195.

I. No corporation shall sell, lease, consolidate, or in any manner part with its franchises, or its entire property, or any of its property, corporate rights, or privileges essential to the conduct of its corporate business and purposes, otherwise than in the ordinary and usual course of its business, except with the consent of its stockholders at an annual or special meeting, the call for which shall give notice of the proposed sale, lease, or consolidation. All such sales, leases, and consolidations, except as in this section hereinafter otherwise provided, shall be subject to the provisions of this and the 11 following sections, and to the prior lien of stockholders as therein defined. Except as to franchises, this and the 11 following sections shall not be held to apply to mortgages of corporate property.

II. To effect a consolidation under the provisions of the foregoing subsection and subject to the provisions of this and the 11 following sections, any two or more corporations organized or to be organized under the provisions of this chapter or existing under the laws of this state, may consolidate into a single corporation which may be any one of said corporations, or a new corporation organized under the laws of this state to be formed by means of such consolidation, by entering into an agreement duly authorized by a majority of the directors of the respective corporations and signed by the duly authorized officers, and under the respective seals of said corporations, prescribing the terms and conditions of the consolidation, the mode of carrying the same into effect, whether or not the consolidated corporation shall be one of the constituent corporations or a new corporation created by such consolidation, and stating in such altered form as the circumstances of the case may require such other facts as are necessary to be set out in the certificate of organization of corporations organized under this chapter

and as are pertinent in the case of a consolidation, the manner of converting the capital stock of each of such consolidating corporations (or, if the consolidated corporation is to be one of the constituent corporations and the outstanding shares of such surviving constituent corporation are not to be changed, the shares of each of the other constituent corporations,) into the stock or obligations of such consolidated corporation together with such other provisions and details as shall be deemed necessary to perfect the consolidation. Said agreement shall be acknowledged by one of the executing officers of each of the consolidating corporations before an officer authorized by the laws of this state to take acknowledgments of deeds, to be the respective act, deed, and agreement of each of said corporations.

III. Subject to provisions of by-laws with reference to closing stock books prior to stockholders' meetings, said consolidation agreement shall be submitted to the stockholders of record of each corporation at a meeting thereof called separately for the purpose of taking the same into consideration, and at said meeting a vote in person or by proxy shall be taken for the adoption or rejection of said agreement, and if the votes of stockholders of each corporation representing a majority of the voting power, on a proposal to consolidate said corporation with another, shall be for the adoption of said agreement, then that fact shall be certified on said agreement by the clerk or secretary of each corporation and the agreement so signed, acknowledged, adopted, and certified, after it has been examined by the attorney-general and been by him certified to be properly drawn and signed and to be conformable to the constitution and laws of this state, shall be recorded in the registry of deeds in the county where the said consolidated corporation is located, and within 60 days after the day of the meeting at which said consolidation agreement is adopted by the stockholders, a copy thereof certified by such register shall be filed in the office of the secretary of state, who shall enter the date of filing thereon, and on the original agreement, certified as aforesaid, to be kept by the consolidated corporation, and shall record said copy. From the time of filing the copy of such agreement in the office of the secretary of state, said agreement shall be taken and deemed to be the agreement and act of consolidation of the said corporations and said original consolidation agreement or a certified copy thereof shall be evidence of the existence of such consolidated corporation and of the observance and performance of all acts and conditions necessary to have been observed and performed precedent to such consolidation.

IV. The notice herein provided for shall be given to all stockholders of record of all of the consolidating corporations, whether or not entitled to vote, but subject to any by-law provisions with reference to closing stock books prior to stockholders' meetings. If the holder of record of any share not entitled to vote in any constituent corporation selling, leasing, consolidating, or otherwise disposing of its property as aforesaid, shall at or prior to the taking of the vote, dissent therefrom in writing and shall at such time, or within 1 month from the date of such vote, file his written dissent therefrom with the president, clerk, or treasurer of such corporation, then such non-voting shares of such stockholder shall be subject to and be entitled to all of the rights granted by the 11 following sections in like manner as if they had been voting shares.

V. Any one or more corporations organized or to be organized under the provisions of this chapter, or existing under the laws of this state, may consolidate with any corporation or corporations organized under the laws of any other state or states permitting such consolidation into a single corporation, which may be

any one of said corporations or a new corporation formed by means of such consolidation organized under the laws of this state or those of the state of incorporation of any of the other constituent corporations as shall be specified in the agreement, by entering into an agreement prescribing the terms and conditions of the consolidation, the mode of carrying the same into effect, whether or not it shall be one of the constituent corporations or a new corporation created by such consolidation, the manner of converting the shares of each of such constituent corporations (or, if the surviving corporation is to be one of the constituent corporations and outstanding shares of such surviving constituent corporation are not to be changed, the shares of each of the constituent corporations) into the shares of the corporation resulting from or surviving such consolidation, the state of incorporation of the resulting or surviving corporation, and stating in such altered form as the circumstances of the case may require such other facts as are necessary to be set forth in certificates of organization or incorporation of the laws of the state governing the resulting or surviving corporation. Said agreement shall be authorized, adopted, approved, signed, and acknowledged by each of said constituent corporations in accordance with the laws of the state under which it is formed, and in the case of a Maine corporation, in the manner hereinbefore provided. The agreement so authorized, adopted, signed, and acknowledged shall be approved by the attorney-general of this state and, if the resulting or surviving corporation is a Maine corporation, it shall be recorded and filed in accordance with the law governing the consolidation of domestic corporations, but if it is a foreign corporation a copy thereof shall be filed in the office of said secretary of state. From the time of filing the copy of such agreement in the office of the secretary of state, said agreement shall thenceforth be taken and deemed to be the agreement and act of consolidation of said constituent corporation for all purposes of the laws of this state.

VI. If the corporation resulting or surviving such consolidation is to be governed by the laws of any state other than the laws of this state, it shall agree that it may be served with process in this state in any proceeding for enforcement of any obligation of any constituent corporation of this state, including any amount determined pursuant to the provisions of sections 81 to 91, inclusive, and shall irrevocably appoint the secretary of state as its agent to accept service of process in an action for the enforcement of payment of any such obligation or any amount determined under the provisions of sections 81 to 91, inclusive, as aforesaid, and shall specify the address to which a copy of such process shall be mailed by the secretary of state. Service of such process shall be made by personally delivering to and leaving with the secretary of state duplicate copies of such process, with a fee of \$2. The secretary of state shall forthwith send by registered mail one of such copies to such resulting or surviving corporation address so specified, unless such resulting or surviving corporation shall thereafter have designated in writing to the secretary of state a different address for such purpose, in which case it shall be mailed to the last address so designated.

VII. When said agreement is so signed, acknowledged, adopted, recorded, and filed the separate existence of all of the constituent corporations, or all of such constituent corporations except the one into which such constituent corporations shall have been consolidated, shall cease, and the constituent corporations, whether consolidated into a new corporation or merged into one of such constituent corporations, as the case may be, shall become the consolidated corporation by the name provided in said agreement, possessing all the rights, privileges, powers, franchises, and immunities as well of a public as of a private nature, and

being subject to all the liabilities, restrictions, and duties of each of such corporations so consolidated and all and singular the rights, privileges, powers, franchises, and immunities of each of said corporations, and all property, real, personal, and mixed, wheresoever located, and all debts due to any of said constituent corporations on whatever account, and all other things in action of or belonging to each of said corporations shall be vested in the consolidated corporation; and all property, rights, privileges, powers, franchises, and immunities, and all and every other interest shall be thereafter as effectually the property of the consolidated corporation as they were of the several and respective constituent corporations, and the title to any real estate, whether by deed or otherwise, under the laws of this state, vested in any of such constituent corporations, shall not revert or be in any way impaired by reason thereof, provided that all rights of creditors and all liens upon the property of any of said constituent corporations shall be preserved unimpaired, limited to the property affected by such liens at the time of the consolidation, and all debts, liabilities, and duties of the respective constituent corporations shall thenceforth attach to said consolidated corporation and may be enforced against it to the same extent as if said debts, liabilities, and duties had been incurred or contracted by it.

VIII. If the location of the resulting or surviving corporation is not the same as that of the constituent corporation or corporations, or if the resulting or surviving corporation is a foreign corporation, then the clerk or secretary of the resulting or surviving corporation shall, within 60 days after such consolidation has become effective, file a certificate of the consolidation, setting forth the names and locations of the resulting or surviving and constituent corporations in the registry of deeds of each county in this state, other than that of the resulting or surviving corporation, where the constituent corporation may be located.

IX. "Consolidate" as used in this section shall be construed to include and authorize either a merger or consolidation or both. This shall not be taken to imply that heretofore a merger could not be accomplished under the provisions of this section. The provisions of sections 81 to 91, inclusive, shall be construed as applicable to domestic corporations only.

X. The fee of the attorney-general for approving the agreement under the provisions of this section shall be \$20.

XI. The provisions of this section with reference to consolidation shall neither restrict nor enlarge the provisions of section 1 of chapter 46 and section 46 of chapter 40.

120 Me. 231; 126 Me. 108.

Sec. 81. Remedy of dissenting stockholder. R. S. c. 56, § 64. If any stockholder in any corporation which shall vote to sell, lease, consolidate, or in any manner part with its franchises, or its entire property, or any of its property, corporate rights, or privileges essential to the conduct of its corporate business and purposes, otherwise than in the ordinary and usual course of its business, shall vote in the negative and shall file his written dissent therefrom with the president, clerk, or treasurer of such corporation within 1 month from the day of such vote, the corporation in which he is a stockholder may, within 1 month after such dissent is so filed, enter a petition with the supreme judicial court, or the superior 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 corporation thereon, the names and residences of all dissenting stockholders whose dissents were so filed, making such dissent-

ing stockholders parties thereto, and praying that the value of the shares of such dissenting stockholders may be determined and for other appropriate relief.

120 Me. 231; 126 Me. 108.

Sec. 82. If corporation fails to enter petition, dissenting stockholder may enter and prosecute the same. R. S. c. 56, § 65. If any such corporation shall fail to enter such petition as aforesaid, any stockholder dissenting as aforesaid may within 1 month thereafter enter such petition and prosecute the same, making such corporation party defendant. 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 2 weeks successively and such personal service as is required upon bills in equity.

120 Me. 231; 121 Me. 213.

Sec. 83. Court to determine value of shares and secure rights of stockholders; corporation to deposit amount of award in some bank; shares to become property of corporation. R. S. c. 56, § 66. 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 provided, 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.

120 Me. 231; 126 Me. 108.

Sec. 84. Either party may enter appeal, and trial had before a jury; award, how paid; appellant to have lien on property of corporation. R. S. c. 56, § 67. Within 30 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 superior 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 decreased, 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 30 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.

120 Me. 231.

Sec. 85. If dissent is not filed, stockholder to be deemed to have assented; guardian may be appointed for incapacitated stockholder. R. S. c. 56, § 68. Any stockholder failing to file his dissent as required in section 81 shall be deemed to have assented to such vote. If it appears that any stockholder is legally incapacitated from giving such assent or waiver, the court shall appoint suitable guar-

dians 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 81. Provided, however, that, if the proceedings hereby authorized are not had, then as against any stockholder who is a minor or otherwise legally incapacitated and who has no guardian, the period of 1 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.

126 Me. 108.

Sec. 86. Stockholders to deposit in court certificates of shares; transfers to be subject to final decree. R. S. c. 56, § 69. 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 indorsed 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.

Sec. 87. If corporation fails to pay amount decreed, rights of stockholder; lien of dissenting stockholder. R. S. c. 56, § 70. 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 30 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 consolidation. Such liens may be released as provided in section 84.

Sec. 88. Court may hear and determine petitions, and make orders for enforcement of rights of all parties. R. S. c. 56, § 71. The supreme judicial court, or the superior 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 proceedings, 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.

Sec. 89. If petition fails for any matter of form, new petition may be filed. R. S. c. 56, § 72. If any petition shall fail for any matter of form, any party interested therein may file a new petition within 2 months thereafter. No petition shall be abated by the death of any party, but may thereupon be summarily revived by suggestion and amendment.

Sec. 90. Exceptions. R. S. c. 56, § 73. The proceedings hereby authorized shall not apply to nor affect any special act relating to the rights of minority stockholders in any particular corporations enacted before the 4th day of April, 1891, nor any mortgage legally made.

Sec. 91. Proceedings for valuing stock under the laws of other states to be a bar to any under this chapter. R. S. c. 56, § 74. If 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 chapter; 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 2 months thereafter.

Corporate Contracts and Liabilities

Sec. 92. Contracts. R. S. c. 56, § 75. Corporations are bound by parol contracts made by an agent authorized by vote or by their by-laws. Contracts may be implied from corporate acts, or from the acts of the general agent.

See c. 56, § 215, re authority to exchange reciprocal contracts of indemnity; 7 Me. 120; 24 Me. 38, 502; 26 Me. 435; 29 Me. 126; 103 Me. 79; 106 Me. 387; 117 Me. 291.

Sec. 93. Provisions of law relating to foreclosure of railroad mortgages given to trustees, applicable to mortgages of all corporations so given. R. S. c. 56, § 76. The provisions of sections 36 to 58, inclusive, of chapter 42 shall apply to and include all mortgages of franchises, lands, or other hereditaments, or of all of them, heretofore or hereafter given by any corporation to trustees to secure scrip or bonds of said corporation; and the holder of said scrip or bonds shall have the benefit of all said provisions, whether the said mortgages have been or may be foreclosed in the manner provided by section 36 of said chapter, or in any other legal manner, and to the extent of and with reference to the property covered by the mortgage; the new corporation, when organized, shall have the rights and privileges of the original corporation.

119 Me. 579.

Sec. 94. Property and franchise may be taken for debts. R. S. c. 56, § 77. 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.

See c. 157, § 31, re levy on real estate; c. 105, § 17, re levy on franchise; 97 Me. 302; 112 Me. 439.

Sec. 95. Names of directors, clerk, and schedule of property to be furnished to an officer. R. S. c. 56, § 78. 1933, c. 109. Every agent or person having charge of corporate property shall, on request, furnish to any officer having a writ or execution against the corporation for service, the names of the directors and clerk, and a schedule of all property, including debts known by him to belong to the corporation. Any officer of a judgment debtor corporation may be cited to disclose the affairs of the corporation in the same manner as provided for the disclosure of other judgment debtors.

Sec. 96. Officer, having an execution, may elect to take debts due to corporation; proceedings. R. S. c. 56, § 79. An officer, having an execution against a

manufacturing corporation and unable to find property liable to seizure, or the creditor, may elect to satisfy it, in whole or in part, by a debt due to the corporation not exceeding the amount due to the creditor, and the person having custody of the evidence of such debt shall deliver it to such officer with a written transfer thereof to him for the use of the creditor, which shall constitute an assignment thereof, and the creditor, in the name of the corporation, may sue for and collect it, subject to any equitable set-off by the debtor.

Sec. 97. Penalty for refusing to comply with §§ 95 and 96. R. S. c. 56, § 80. Any officer or other person, who unnecessarily neglects or refuses to comply with the provisions of the 2 preceding sections, forfeits not exceeding 4 times the amount due on such execution, and may be imprisoned for less than 1 year.

Sec. 98. Books to be produced on trial; refusal punished. R. S. c. 56, § 81. When a suit or prosecution is pending for a violation of the provisions of section 38 or either of the 3 preceding sections, the clerk or person having custody of the books of the corporation shall, upon reasonable written notice, produce them on trial; and for neglect or refusal to do so, he is liable to the same fine or imprisonment as the party on trial would be.

Dissolution of Corporations

Sec. 99. Existence after charter expires. R. S. c. 56, § 82. Corporations, whose charters expire or are otherwise terminated, have a corporate existence for 3 years thereafter, to prosecute and defend suits; to settle and close their concerns; to dispose of their property; and to divide their capitals.

55 Me. 293; 92 Me. 476; 106 Me. 178; 115 Me. 289; 117 Me. 84.

Sec. 100. Proceedings for obtaining injunction against continuing business. R. S. c. 56, § 83. Whenever any corporation shall become insolvent, or be in imminent danger of insolvency, or whenever through fraud, neglect, or gross mismanagement of its affairs, or through attachment, litigation, or otherwise, its estate and effects are in danger of being wasted or lost, or whenever it has ceased to do business, or its charter has expired or been forfeited, upon application of any creditor or stockholder by bill in equity filed in the supreme judicial court or the superior 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 either of such courts, in term time or vacation, either of such courts may, if it finds that sufficient cause exists, issue an injunction, both temporary and permanent, restraining said corporation, its officers and agents, from receiving any moneys, paying any debts, selling or transferring any assets of the corporation, or exercising any of its privileges or franchises until further order, and may at any time make a decree dissolving said corporation.

*102 Me. 371; 103 Me. 277; *109 Me. 458; 113 Me. 182, 532; 114 Me. 184; 115 Me. 289; 117 Me. 84; 120 Me. 108.

Sec. 101. Appointment of receivers; attachments dissolved; distribution of assets; priorities. R. S. c. 56, § 84. 1931, c. 31. At the time of ordering any such injunction or at any time afterwards during its continuance, such court may also appoint one or more receivers to wind up the affairs of the company, who shall be duly sworn, and give bond in such sum and upon such conditions as such court shall determine, and shall at all times be subject to the direction and control of the court, which may at any time remove said receiver and appoint another in

his place. All attachments, made within 4 months before the filing of any such bill in equity wherein a receiver is so appointed, shall thereupon be dissolved. The distribution of the assets of any insolvent corporation shall be subject to the same priorities of indebtedness as specified in the National Bankruptcy Act of 1898 and amendments thereof.

See c. 55, § 86, re organization of trust companies; 113 Me. 182; 114 Me. 184; 115 Me. 289; 117 Me. 84.

Sec. 102. Authority of receiver; to report to court. R. S. c. 56, § 85. Such receiver shall have power to institute or defend suits at law or in equity, in his own name as receiver, to demand, collect, and receive all property and assets of said corporation, to sell, transfer, or otherwise convert the same into cash, and to conduct and carry on the business of said corporation, as ordered by the court, if it appears for the best interests of all concerned. He shall report to the court at least as often as every 6 months a statement of all the assets and liabilities of said corporation, and from time to time shall distribute the assets of said corporation as provided in section 106.

113 Me. 86; 114 Me. 184; 117 Me. 84; 120 Me. 444.

Sec. 103. Presentation of claims. R. S. c. 56, § 86. Whenever a receiver is appointed as above, the court shall limit a time, not less than 4 months, of which decree notice shall be given, within which all claims against said corporation shall be presented, and make such order for the manner of hearing and proving the same as may be just and proper.

113 Me. 180, 532; 114 Me. 184; 117 Me. 84.

Sec. 104. Sale of property and franchises; receiver may accept claims in payment. R. S. c. 56, § 87. Said court may in its discretion, in lieu of decreeing the dissolution of such corporation, order the receiver to sell its property and franchises; and the purchaser thereof shall succeed to all the rights and privileges of such corporation, and may reorganize the same under the direction of said court. At any sale of such property at public auction, the court may, in its discretion, authorize the receiver to accept in payment, duly allowed claims against such corporation, at a proper valuation.

117 Me. 84; 126 Me. *141.

Sec. 105. Jurisdiction in equity. R. S. c. 56, § 88. The court shall have jurisdiction in equity of all proceedings hereunder and may make such orders and decrees as equity may require.

113 Me. 182; 117 Me. 84; 120 Me. 112.

Sec. 106. Distribution of assets. R. S. c. 56, § 89. The debts of the corporation shall be paid in full 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.

111 U. S. 110; 60 Me. 173, 182; 79 Me. 316; 102 Me. 376; 106 Me. 181; 113 Me. 536; 117 Me. 84.

Sec. 107. Bill in equity against corporations for dissolution; if no liabilities, dissolution may be had without trustees. R. S. c. 56, § 90. 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 or the superior court, in the

county in which it has an established place of business, or in which it held its last stockholders' meeting; upon said bill, notice shall be given by the clerk of courts to the attorney-general and such notice shall be given to others as may be ordered by any justice of either of said courts, in term time or vacation, and upon proof thereof, 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.

79 Me. 316; *106 Me. 179; 107 Me. 187; 131 Me. 149.

Sec. 108. Jurisdiction of court; court may superintend collection and distribution of assets. R. S. c. 56, § 91. Said courts have 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 the provisions of sections 99, 106, and 120, 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.

106 Me. 179; 107 Me. 187.

Sec. 109. No relief from liability. R. S. c. 56, § 92. Nothing in the 2 preceding sections relieves any officer, shareholder, or other person from any liability, except as provided therein.

Sec. 110. Capital not to be divided until debts paid. R. S. c. 56, § 93. Corporations, not created for literary, benevolent, or banking purposes, shall not so divide any of their corporate property as to reduce their stock below its par value until all debts are paid, and then only for the purpose of closing their concerns.

59 Me. 474.

Sec. 111. Judgment creditor may file bill in equity in certain cases. R. S. c. 56, § 94. 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 or the superior court, setting forth the facts, and the names of such persons as are alleged to have possession of any of such property or choses 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.

*77 Me. 474.

Sec. 112. Proceedings, trial, and decree in the suit. R. S. c. 56, § 95. 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.

III U. S. 110.

Sec. 113. Decree of dissolution to be filed with secretary of state. R. S. c. 56, § 96. A copy of every decree or judgment dissolving a corporation or forfeiting its charter shall be forthwith filed by the clerk of the court in the office of the secretary of state and there recorded.

Sec. 114. On dissolution, estate vests in shareholders. R. S. c. 56, § 97. 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.

16 Me. 318; 29 Me. 134; *36 Me. 190; 66 Me. 400; 79 Me. 316; 121 Me. 18; 95 Fed. 313.

Liability of Stockholders

Sec. 115. Personal representatives not liable. R. S. c. 56, § 98. Persons holding stock as executors, administrators, guardians, or trustees shall not be personally subject to any liabilities as stockholders; but the estates and funds in their hands shall be liable in like manner and to the same extent as the testator, intestate, ward, or person interested in such trust funds would be if they were respectively living and competent to act and hold the stock in their own names.

104 Me. 155.

Sec. 116. Pledgee of stock not liable as a stockholder. R. S. c. 56, § 99. A pledgee for value, holding a certificate of stock of a corporation for security merely, shall not, while he so holds such stock, be subject to any of the liabilities of a stockholder, unless he appears on the books of the corporation as the absolute owner of such stock.

Sec. 117. Stockholders not liable beyond amount of stock; exception. R. S. c. 56, § 100. No stockholder in any corporation, except in banks, trust companies, and when otherwise provided by the act of incorporation shall be liable for the debts or of claims against such corporation beyond any amounts withdrawn or not paid in, as provided in the 2 following sections; but neither this section nor the 4 following sections affect past or future liabilities of any officer of any corporation.

See c. 55, § 121, re liability of stockholders in trust companies; 75 Me. 521; 86 Me. 66; 89 Me. 127; 92 Me. 444.

Sec. 118. Capital stock subscribed is for security of creditors; payment of subscription to be bona fide. R. S. c. 56, § 101. 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.

64 Me. 382; 78 Me. 178; 82 Me. 403, 511; 86 Me. 66; 92 Me. 451; *93 Me. 163.

Sec. 119. Withdrawal of capital stock, void as against judgment creditor, receivers, or trustees. R. S. c. 56, § 102. 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.

64 Me. 382; 78 Me. 178; 82 Me. 402; 86 Me. 66; 93 Me. 163; 111 Me. 475.

Sec. 120. Proceedings may be by action on the case, or bill in equity; stockholder not liable unless debt was contracted during ownership of stock, nor for mortgage debt. R. S. c. 56, § 103. 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 2 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 canceled 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. 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 1 year after its transfer by such stockholder is recorded on the corporation books.

*64 Me. 382; 78 Me. 178; 82 Me. 402; 83 Me. 323; 84 Me. 75; 86 Me. 66, 75, 492; 88 Me. 612; 92 Me. 451; 93 Me. 163; 111 Me. 475; 113 Me. 87.

Sec. 121. Evidence in defense. R. S. c. 56, § 104. 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 the provisions of 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 in 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 2 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 2 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 the provisions of 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 defense for such defendant.

*78 Me. 178; *84 Me. 73, 75, 76; 86 Me. 66; 89 Me. 488.

Sec. 122. Stockholders, paying for corporation, may recover contribution. R. S. c. 56, § 105. 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.

36 Me. 84.

Foreign Corporations

Sec. 123. Foreign corporations, before doing business in the state to appoint an attorney; power of attorney and copy of vote to be filed; service of process. R. S. c. 56, § 106. 1941, c. 37. Every corporation established under laws other than those of this state, for any lawful purpose, other than as a bank, savings bank, trust company, surety company, safe deposit company, insurance company, or public service company, which has a usual place of business in this state or which is engaged in business in this state permanently or temporarily, without a usual place of business therein, and which is doing an intrastate business in this state, shall before doing business in this state, in writing appoint a resident of the state, having an office or place of business therein, to be its true and lawful attorney upon whom all lawful processes in any action or proceedings against it may be served; and in such writing, which shall set forth said attorney's place of residence, shall agree that any lawful process against it which is served on said attorney shall be of the same legal force and validity as if served on it, and that the authority shall continue in force so long as any liability remains outstanding against it in this state. The power of attorney and a copy of the vote authorizing its execution, duly certified and authenticated, shall be filed in the office of the secretary of state and copies certified by him shall be sufficient evidence thereof. Service of such process shall be made by leaving a copy of the process in the hands or in the office of the said attorney, and such service shall be sufficient service upon the corporation. Such appointment shall continue in force until revoked by an instrument in writing, designating in a like manner some other person upon whom such process may be served, which instrument shall be filed in the manner provided herein for the original appointment.

Any person who has been designated by a foreign corporation as its attorney may file with the secretary of state an instrument in writing that he is unwilling or unable to continue to act as such attorney of such foreign corporation. At the expiration of 30 days after the filing of such instrument with the secretary of state, the appointment of such person as such attorney shall terminate. Upon the filing of such instrument, the secretary of state forthwith shall give written notice by mail to such foreign corporation of the filing of such instrument and the effect thereof, which notice shall be addressed to such foreign corporation at

its principal office as shown by the records of his office and such foreign corporation shall within 30 days thereafter designate some other person as its attorney as herein provided.

115 Me. 1, *387; 128 Me. 433; 133 Me. 149.

Sec. 124. Copy of charter and by-laws and certificate filed before transacting business; officers and directors subject to penalties; validity of contracts not affected. R. S. c. 56, § 107. 1939, c. 92, § 1. 1943, c. 97, § 1. Every such foreign corporation, before transacting business in this state, shall file with the secretary of state a copy of its charter or certificate of incorporation, certified under the seal of the state or country in which such corporation is incorporated by the secretary of state thereof or by the officer having charge of the original record therein. Such foreign corporations shall also file a certificate in such form as the secretary of state may require, setting forth:

- I. The name of the corporation;
- II. The location of its principal office;
- III. The names and addresses of its president, treasurer, clerk or secretary, and of the members of its board of directors;
- IV. The date of the annual meeting of its stockholders;
- V. The amount of its capital stock, authorized and issued, the number and par value of its shares and the amount paid in thereon to its treasurer.

Said certificates shall be subscribed and sworn to by its president, treasurer, or clerk. The officers and directors of such corporation shall be subject to the same penalties and liabilities for false and fraudulent statements and returns as officers and directors of a domestic corporation. Every officer of such a corporation which fails to comply with the requirements of this section and of sections 123 and 127, and every agent thereof who transacts business as such in this state shall, for such failure, be liable to a fine of not more than \$500. Such failure shall not affect the validity of any contract with such corporation, but no action shall be maintained or recovery had in any of the courts of this state by any such foreign corporation so long as it fails to comply with the requirements of said sections.

*115 Me. 1, 387; 128 Me. 433.

Sec. 125. Secretary of state may refuse to file papers or accept appointment as attorney. R. S. c. 56, § 108. The secretary of state shall refuse to accept or file the charter, certificate, or other papers of, or accept appointment as attorney for service for, any such corporation which does a business in this state, the transaction of which by domestic corporations is not then permitted by the laws of this state.

Sec. 126. Corporation to file certificate of increase or decrease of capital stock. R. S. c. 56, § 109. 1939, c. 92, § 2. 1943, c. 97, § 2. Every such foreign corporation shall, within 30 days after the vote of such corporation authorizing an increase or a decrease of capital stock, file in the office of the secretary of state a copy of the certificate of the amount of such increase or decrease, certified under the seal of the state or country in which such corporation is incorporated by the secretary of state thereof or by the officer having charge of the original record therein.

Sec. 127. Duty payable to state; notice of change in certificate of charter to be filed with secretary of state. R. S. c. 56, § 110. Every such foreign corporation shall annually, on or before the 1st day of March, pay to the secretary of

state for the use of the state a license fee of \$10. It shall also annually within 30 days after the date fixed for its annual meeting, or within 30 days after the final adjournment of said meeting, but not more than 3 months after the date fixed for said meeting, prepare and file in the office of the secretary of state a certificate signed and sworn to by its president, treasurer, or clerk, showing the change or changes, if any, in the particulars included in the certificate required by section 124 made since the filing of said certificate or of the last annual report. If no changes have occurred, a certificate to that effect shall be sufficient.

See § 128, re penalty.

Sec. 128. Penalty for violation of § 127; penalty for failure to pay license fee; revocation of license. R. S. c. 56, §§ 111, 112. 1943, c. 97, § 3. The secretary of state upon the failure of any such foreign corporation to file the certificate required by section 127 within the calendar year or to pay the annual license fee shall revoke the license of such corporation to do business in the state and shall forthwith notify such corporation of such revocation.

Sec. 129. Liability of officers. R. S. c. 56, § 113. The officers of such foreign corporations shall be jointly and severally liable for all the debts and contracts of the corporation contracted or entered into while they are officers thereof and if any statement or report required by the provisions of the 6 preceding sections, made by them, is false in any material representation and known to them to be false; but only the officers who sign such statement or report shall be so liable.

Sec. 130. Service of process on foreign corporation, trustee in mortgage by domestic corporation. R. S. c. 56, § 114. In case of the mortgage of franchises, lands, or other hereditaments by any domestic corporation to a foreign corporation as trustee, service of process may be made on any authorized agent of such foreign corporation in the state; or if no such agent can be found, such service may be made upon the bank commissioner, who shall immediately notify the corporation by mail. Service made in either of said methods shall be valid and binding upon the corporation in every respect.

Sec. 131. Foreign companies may sue and be sued here, and property attached; effect of agents' acts. R. S. c. 56, § 115. 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.

17 Me. 36; 29 Me. 467; 55 Me. 294.

Miscellaneous Provisions

Sec. 132. Property of inhabitants of counties, towns, etc., may be taken for debts. R. S. c. 56, § 116. 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.

See c. 105, §§ 30-32, re executions and warrants of distress against towns; 1 Me. 364; 47 Me. 141; *49 Me. 328; 68 Me. 507; 101 Me. 149; 111 Me. 99.

Sec. 133. Issue of bonds payable by instalments, authorized. R. S. c. 56, § 117. Any county, city, town, or water district, or corporation organized under

the laws of this state, having occasion to issue bonds, may make them payable in instalments of uniform or increasing amounts extending over a period not exceeding 50 years. Provisions shall be made for the payment of not less than 1% of the whole issue each year and, in case the time of payment extends over a period of 50 years, the instalments shall cover the whole issue. In case the time of payment extends over a period of less than 50 years, a portion of the issue greater than the regular instalment may be made payable at the end of the period. Limitations upon the time for which bonds may be issued are modified in accordance herewith; provided, however, that this section shall not be construed to prevent any county, city, town, or water district, or municipal, private, or other corporation organized under the laws of this state from issuing bonds and making them payable in the same manner as it might do, if this section were not enacted; and no bonds issued prior to the 3rd day of July, 1909, if valid in other respects, shall be deemed invalid on account of any failure to comply with the provisions of this section.

Sec. 134. Wasting assets corporations. 1941, c. 39. Subject to any restrictions contained in its certificate of organization, the directors of any corporation engaged in the exploitation of wasting assets may determine the net profits derived from the exploitation of such wasting assets without taking into consideration the depletion of such assets resulting from lapse of time or from necessary consumption of such assets incidental to their exploitation.

CHAPTER 50.

CORPORATIONS WITHOUT CAPITAL STOCK.

Sections 1-15 Organization. Powers. General Provisions.
Sections 16-18 County Law Libraries.
Sections 19-32 Proprietors of Lands and Wharves.

Organization. Powers. General Provisions

Sec. 1. Organization. R. S. c. 70, § 1. 1937, c. 99, § 4. When seven or more persons desire to be incorporated as proprietors of a social, military, literary, scientific, or county law library; as a Masonic lodge or chapter of any order or degree; as a Masonic association consisting of members of different orders or degrees; as a lodge of the Independent Order of Odd Fellows; as a lodge of the Knights of Pythias; as a tribe of the Improved Order of Redmen; as a division of the Sons of Temperance; as a tent of the Rechabites; as a grange of Patrons of Husbandry; as a Council of the Sovereigns of Industry; as a lodge of the Benevolent and Protective Order of Elks; as a Grand Army Post; as an American Legion Post; as a Council of the Boy Scouts of America; as a relief or benefit association for mutual assistance; as a cemetery association; as a monument or memorial association; as a society to promote temperance; as a village improvement society; as an association for the promotion of good municipal government; as a chamber of commerce or board of trade; as a yacht club; or for the purpose of preserving and maintaining a family homestead and the rights of descendants and of members of the family therein; or for any literary, scientific,