

MAINE STATE LEGISLATURE

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DOCUMENTS

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THE LEGISLATURE

OF THE

STATE OF MAINE.

1862.

AUGUSTA:
STEVENS & SAYWARD, PRINTERS TO THE STATE.
1862.

FORTY-FIRST LEGISLATURE.

SENATE.

No. 23.

STATE OF MAINE.

IN THE YEAR OF OUR LORD ONE THOUSAND EIGHT HUNDRED AND SIXTY-TWO.

AN ACT to authorize the formation of joint stock companies, for manufacturing, mechanical and other purposes.

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

SECTION 1. All corporations organized and established, under the provisions of this chapter, shall be capable to sue and be sued, plead and be impleaded, answer and be answered unto, appear and prosecute to final judgment, in any court or elsewhere; to have a common seal, and to alter the same at pleasure; to elect in such manner as they shall determine, all necessary officers; to fix their compensations and define their duties; to ordain and establish by-laws for the government and regulation of their affairs, and to alter

11 and repeal the same; and to employ all such agents,
12 mechanics and other laborers, as they shall think
13 proper.

SECT. 2. Any number of persons not less than six,
2 who by articles of agreement in writing, have associa-
3 ted or shall associate according to the provisions of
4 this chapter, under any name assumed by them for the
5 purposes of engaging in and carrying on any kind of
6 manufacturing, mechanical, mining or quarrying bus-
7 iness, and who shall comply with the provisions of this
8 chapter, shall with their successors and assigns, con-
9 stitute a body politic and corporate, under the name
10 assumed by them in their articles of association.

SECT. 3. The amount of capital stock in every such
2 corporation, shall be fixed and limited by the stock-
3 holders in their articles of association, and shall in no
4 case be less than two thousand dollars nor more than
5 fifty thousand dollars, and shall be divided into shares
6 of twenty-five dollars each.

SECT. 4. The purpose for which every such corpora-
2 tion shall be established, shall be distinctly and defi-
3 nitely specified by the stockholders in their articles of
4 association, and it shall not be lawful for said corpo-
5 ration to direct its operations or appropriate its funds
6 to any other purpose.

SECT. 5. When any number of persons shall have
2 associated according to the provisions of this chapter,
3 any two of them may call the first meeting of the cor-
4 poration, at such time and place as they may appoint,
5 by giving notice thereof, in any one or more newspa-
6 pers published in the county, in which said corporation
7 is to be established, or in any adjoining county, at
8 least fifteen days before the time appointed for such
9 meeting.

SECT. 6. The stock, property, affairs and business
2 of every such corporation shall be under the care of,
3 and shall be managed by, not less than three directors,
4 who shall be chosen annually by the stockholders, at
5 such time and place as shall be provided by the
6 by-laws of said corporation, and who shall be stock-
7 holders, and shall hold their offices for one year, and
8 until others shall be chosen in their stead.

SECT. 7. Every such corporation shall by their said
2 name, have power to acquire and hold all such lands,
3 tenements, and hereditaments, and all such property,
4 of every kind, as shall be necessary for the purposes
5 of said corporation, and such other lands, tenements
6 and hereditaments as shall be taken in payment of or
7 as security for debts due to such corporation, and to
8 manage and dispose of the same at pleasure.

SECT. 8. The directors of every such corporation shall choose one of their number to be president, and shall also choose a secretary and treasurer, and such officers as the by-laws of the corporation shall prescribe, who shall hold their offices until others shall be chosen in their stead.

SECT. 9. The directors may call in the subscription of the capital stock of such corporation, by instalments, in such proportion and at such times and places as they shall think proper, by giving such notice thereof as the by-laws shall prescribe; and in case any stockholder shall neglect or refuse payment of any such instalment for the space of sixty days after the same shall have become due and payable, and after he shall have been notified thereof, the stock of such negligent stockholder, shall be sold by the directors, at public auction, giving at least thirty days notice thereof in some newspaper published in the county where the business of such corporation is transacted, or in an adjoining county; and the proceeds of such sale shall be first applied in payment of the instalment called for, and the expenses attending the call, and the residue shall be refunded to the owner thereof; and such sale shall entitle the purchaser to all the rights of a stockholder, to the extent of the shares so bought.

SECT. 10. A majority of the directors of every such
2 corporation convened according to the by-laws, shall
3 constitute a quorum for the transaction of business, and
4 a majority of the stockholders present at any legal meet-
5 ing, shall be capable of transacting the business of that
6 meeting, and at all meetings of such stockholders each
7 share shall entitle the holder thereof to one vote.

SECT. 11. The directors of every such corporation,
2 for the time being, shall have power to fill any vacancy
3 which may happen in their board by death, resignation,
4 or otherwise, for the current year.

SECT. 12. If it shall so happen that an election of
2 directors in any such corporation shall not take place
3 at the annual meeting thereof in any year, such cor-
4 poration shall not thereby be dissolved, but an election
5 may be had at any time within one year, to be fixed
6 upon, and notice thereof to be given, by the directors.

SECT. 13. The books of every such corporation; con-
2 taining their accounts, shall at all reasonable times be
3 open for the inspection of any of the stockholders, and
4 as often as once in each year, a statement of the ac-
5 counts of such corporation shall be made by order of
6 the directors.

SECT. 14. Every such corporation may increase its
2 capital stock, and the number of shares therein, at any

3 meeting of the stockholders specially warned for that
4 purpose ; *provided* that the amount so increased shall
5 not exceed the amount authorized by the provisions of
6 this chapter.

SECT. 15. The stock of every such corporation shall
2 be deemed personal property, and be transferred only
3 on the books of such corporation in such form as the
4 directors shall prescribe ; and such corporation shall at
5 all times have a lien upon all the stock or property of
6 its members, invested therein, for all debts due from
7 them to such corporation.

SECT. 16. Before any corporation formed and estab-
2 lished by virtue of the provisions of this chapter, shall
3 commence business, the president and directors thereof
4 shall cause their articles of association to be published
5 at full length, in two newspapers published in the
6 county in which such corporation is located, or in an
7 adjoining county ; and shall also make a certificate of
8 the purposes for which such corporation is formed, the
9 amount of their capital stock, the amount actually paid
10 in, and the names of their stockholders, and the num-
11 ber of shares by each respectively owned, which cer-
12 tificate shall be signed by the president and a majority
13 of the directors, and deposited with the secretary of
14 this state, and a duplicate thereof with the town clerk

15 of the town in which said corporation is to transact its
16 business ; and said secretary and said town clerk shall
17 respectively record the same in books to be kept by
18 them for that purpose ; and within thirty days after
19 the payment of any installment called for by the direc-
20 tors of such corporation, a certificate thereof shall be
21 made, signed, deposited and recorded as aforesaid.

SECT. 17. If any such corporation shall increase its
2 capital stock as before provided, the president and di-
3 rectors shall, within thirty days thereafter, make a cer-
4 tificate thereof, which shall be signed, deposited and
5 recorded, as in the preceding section is provided.

SECT. 18. Every such corporation shall annually, in
2 the month of January, or of July, make a certificate
3 containing the amount of their capital actually paid in,
4 the amount of their debts and credits at the time of
5 the making of such certificate, as nearly as the same
6 can be ascertained, with the name of each stockholder,
7 and the number of shares held by him at the date of
8 such certificate, which certificate shall be signed by
9 the president and secretary of said company, and de-
10 posited with the town clerk of the town in which such
11 corporation transact their business ; and whenever any
12 stockholder shall transfer his stock in any such corpo-
13 ration, a certificate of such transfer shall forthwith be

14 deposited with the town clerk as aforesaid, who shall
15 note the time of said deposit, and record it at full
16 length in a book to be kept by him for that purpose,
17 and no transfer of stock shall be valid as against any
18 creditor of such stockholder until such certificate has
19 been so deposited ; and all certificates of transfers of
20 stock made pursuant to the provisions of this section,
21 shall be valid without being verified by the oath or af-
22 firmation of the person subscribing the same.

SECT. 19. The certificates required by the three pre-
2 ceding sections, except certificates of transfers of stock,
3 shall be made under oath or affirmation, by the person
4 subscribing the same ; and if any person shall, as to
5 any material facts, knowingly swear or affirm falsely,
6 he shall be deemed guilty of perjury, and be punished
7 accordingly.

SECT. 20. If the capital stock of such corporation
2 shall be withdrawn and refunded to the stockholders
3 before the payment of all the debts of the corporation
4 for which said stock would have been liable, the stock-
5 holders shall be liable to any such creditor of such cor-
6 poration, in an action founded on this statute, to the
7 amount of the sum refunded to them respectively as
8 aforesaid ; *provided, always*, that if any such stockhold-
9 ers shall be compelled by any such action to pay the

10 debts of any creditor, or any part thereof, he shall have
11 the right, by bill in equity, to call upon all the stock-
12 holders to whom any part of said stock has been refund-
13 ed, to contribute their proportional part of the sum
14 paid by him as aforesaid.

SECT. 21. If the directors of any such corporation
2 shall declare and pay a dividend when the corporation
3 is insolvent, or any dividend, the payment of which
4 would render it insolvent, knowing such corporation to
5 be insolvent, or that such dividend would render it so,
6 the directors assenting thereunto, shall be jointly and
7 severally liable, in an action founded on this statute,
8 for all debts due from such corporation at the time of
9 such dividend.

SECT. 22. If the president, directors or secretary of
2 any such corporation shall intentionally neglect or re-
3 fuse to comply with the provisions of, and to perform
4 the duties required of them respectively, by sections
5 sixteenth, seventeenth and eighteenth of this act, such
6 of them so neglecting or refusing, shall jointly and
7 severally be liable, in an action founded on this stat-
8 ute, for all debts of such corporation, contracted du-
9 ring the period of any such neglect and refusal.

SECT. 23. If any corporation, organized and estab-
2 lished under authority of this chapter, shall violate

3 any of its provisions, and shall thereby become insol-
4 vent, the directors ordering or assenting to such viola-
5 tion, shall jointly and severally be liable, in an action
6 founded on this statute, for all debts contracted after
7 such violation as aforesaid.

SECT. 24. The legislature may at any time, for just
2 cause rescind the powers of any corporation created
3 pursuant to the provisions of this chapter, and pre-
4 scribe such mode as may be necessary or expedient
5 for the settlement of its affairs.

SECT. 25. All laws inconsistent with the foregoing
2 are hereby repealed.

STATE OF MAINE.

IN SENATE, March 11, 1862.

On motion of Mr. FARWELL of KNOX, bill "an act to authorize the formation of Joint Stock Companies for manufacturing, mechanical and other purposes," reported from the Committee on the Judiciary, was tabled, and ordered to be printed for the use of the Legislature.

JAMES M. LINCOLN, *Secretary.*