

# MAINE STATE LEGISLATURE

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# DOCUMENTS

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# THE LEGISLATURE

OF THE

STATE OF MAINE.

1867.

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# FORTY-SIXTH LEGISLATURE.

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HOUSE.

No. 94.

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## STATE OF MAINE.

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

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AN ACT to provide for the incorporation of mining companies.

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

SECTION 1. That three or more persons who shall  
2 have associated themselves together by articles of  
3 agreement in writing, for the purpose of carrying on  
4 any mining or quarrying business in this state, and  
5 shall have complied with the provisions of this act,  
6 shall be and remain a corporation under any name  
7 indicating their corporate character and assumed in  
8 their articles of association.

SECT. 2. That before such corporation shall com-  
2 mence any business, the president, treasurer and a

3 majority of the directors shall sign, swear to and  
4 deposit with the attorney general of the state, a cer-  
5 tificate setting forth the corporate name and purposes  
6 of the association, the amount of the capital stock ;  
7 the amount already paid in ; and the par value of the  
8 shares in the corporation ; the names and the residence  
9 of the owners and the number of shares owned by  
10 each ; the name of the county in which the chief  
11 operations of the company are to be carried on ; the  
12 number and the names of the directors who shall man-  
13 age the affairs of said company until the next annual  
14 election ; which certificate shall be examined by said  
15 attorney general.

SECT. 3. That when the said certificate shall be cer-  
2 tified by the attorney general to be properly drawn and  
3 signed, and that the same is in conformity with the  
4 constitution and laws of the state, the same shall be  
5 recorded in the office for recording deeds in the county  
6 in which the business of the company is to be carried  
7 on as aforesaid, in a suitable book to be kept for that  
8 purpose ; and a copy of said certificate, duly certified  
9 by the recorder of said county, shall be filed in the  
10 office of the secretary of state ; and the said secretary,  
11 upon the receipt of such certified copy, shall enter  
12 thereon, and upon the original certificate to be retained

13 by the company, the day and date of the filing of the  
14 same, and shall cause a true copy of such certificate to  
15 be recorded at length in a suitable book to be kept in  
16 his office for that purpose.

SECT. 4. The persons applying for such corporation  
2 shall pay to the said attorney general and to the said  
3 secretary of state, the sum of five dollars each for said  
4 services.

SECT. 5. When the certificate shall have been re-  
2 corded and filed as aforesaid, the persons who shall  
3 have signed and acknowledged the same and their  
4 successors, shall from the filing of such certificate in  
5 the office of the secretary of state as aforesaid, be a  
6 body corporate and politic in law and in fact by the  
7 name stated in such certificate, and by that name have  
8 succession and be capable of suing and being sued,  
9 and shall by their corporate name be capable in law of  
10 taking, holding and conveying such real and personal  
11 estate in fee simple or under lease as is necessary or  
12 convenient for the purpose of its organization.

SECT. 6. That the quantity of land to be held by  
2 such company shall not exceed one thousand acres.

SECT. 7. The amount of capital stock of such cor-  
2 poration shall be fixed and limited in its articles of  
3 association; and the corporation may increase or di-

4 minish its amount and the number of shares at any  
5 meeting of the stockholders specially called for the  
6 purpose ; but the capital stock shall never be less than  
7 five thousand dollars nor more than two hundred thou-  
8 sand dollars.

SECT. 8. The said capital stock shall be divided into  
2 shares of not less than one dollar per share, and no  
3 share shall be issued for less than its par value.

SECT. 9. No note or obligation given by a stock-  
2 holder, whether secured by pledge or otherwise, shall  
3 be considered as payment of any part of the capital  
4 stock.

SECT. 10. That whenever any company organized  
2 under this act may increase or reduce its capital stock,  
3 a certificate thereof shall be made, signed and sworn  
4 to by the president and a majority of the directors, and  
5 shall be recorded in the office of the recorder of deeds  
6 for said county, and in default thereof the directors of  
7 the company shall be jointly and severally liable for  
8 all the debts of the company contracted after thirty  
9 days from said reduction and before the recording of  
10 such copy.

SECT. 11. That the first meeting of such corpora-  
2 tion shall be called by a notice signed by one or more  
3 of the parties to the articles of association, stating the

4 time, place and purposes of the meeting ; a copy of  
5 which shall, two weeks at least before the meeting, be  
6 given to each member, or published in some newspa-  
7 per printed in the county in which said corporation  
8 proposes to conduct its business.

SECT. 12. That shares of the capital stock may be  
2 transferred by the proprietor by an instrument in writ-  
3 ing under his hand, and recorded by the secretary of  
4 said corporation in a book to be kept for that purpose ;  
5 the purchaser named in such instrument so recorded  
6 shall, on producing the same to the treasurer, and de-  
7 livering the former certificate, be entitled to a new  
8 certificate.

SECT. 13. That said corporation may make by-laws  
2 not repugnant to the laws of the state, for the regula-  
3 tion of their business, with penalties for the breach  
4 thereof.

SECT. 14. That the business of the company shall  
2 be managed and conducted by a president, board of  
3 directors, secretary, treasurer and such other officers,  
4 agents and factors as the company may authorize for  
5 that purpose.

SECT. 15. The directors, secretary and treasurer  
2 shall be chosen annually by the stockholders, and shall  
3 hold their offices till others are chosen and qualified in

4 their stead ; the manner of such choice and of the  
5 choice or appointment of all other agents and officers  
6 of the company shall be prescribed by the by-laws.

SECT. 16. The number of directors shall not be less  
2 than three, one of whom shall be chosen president, as  
3 the by-laws shall direct.

SECT. 17. The offices of secretary and treasurer may  
2 be held by the same person, and he may be a director.

SECT. 18. The corporation may from time to time,  
2 at a legal meeting called for the purpose, assess upon  
3 each share of stock such sums of money as the com-  
4 pany may think proper, not exceeding in the whole  
5 the amount at which each share was originally limited,  
6 and such sums assessed shall be paid to the treasurer  
7 at such times and in such instalments as the company  
8 directs.

SECT. 19. That if the proprietor of any share neg-  
2 lects to pay a sum duly assessed thereon for the space  
3 of thirty days after the time appointed for the pay-  
4 ment, the treasurer of the company may sell by public  
5 auction a sufficient number of the shares to pay all  
6 assessments then due, with necessary and incidental  
7 charges thereon.

SECT. 20. The treasurer shall give notice of the  
2 time and place appointed for such sale, and of the sum



3 due on each share, by advertising the same three  
4 weeks successively before the sale in some newspaper  
5 published in said county ; and a deed of the shares so  
6 sold, signed by the treasurer, and acknowledged before  
7 a justice of the peace, and recorded by the secretary,  
8 shall transfer said shares to the purchaser, who shall  
9 be entitled to a certificate therefor.

SECT. 21. The president and directors, with the  
2 treasurer and secretary of such company, shall, after  
3 the payment of the last instalment of the capital stock,  
4 make a certificate, stating the amount of the capital so  
5 fixed and paid in, which certificate shall be signed and  
6 sworn to by the persons signing the same ; and they  
7 shall cause the same to be recorded in the office of the  
8 recorder of deeds for said county.

SECT. 22. If the directors of any company organ-  
2 ized under this act shall declare any dividend when  
3 the company is insolvent, or the payment of which  
4 would render it insolvent, they shall be jointly and  
5 severally liable for all the debts of the company then  
6 existing and for all thereafter contracted so long as  
7 they respectively continue in office ; *provided* that the  
8 amount for which they shall be liable shall not exceed  
9 the amount of such dividend.

SECT. 23. That no loan of money shall be made by  
2 such company to any stockholder therein ; and if any

3 such loan is made to a stockholder, the officers who  
4 make it, or assent thereto, shall be jointly and sever-  
5 ally liable to the extent of such loan and interest, for  
6 all the debts of the company contracted before the  
7 re-payment of the sum so loaned.

SECT. 24. That the whole amount of the debts which  
2 any such company at any time owes, shall not exceed  
3 the amount of its capital stock actually paid in; and  
4 in case of any excess, the directors under whose  
5 administration it occurs, shall be jointly and severally  
6 liable to the extent of such excess for all the debts of  
7 the company then existing, and for all that are con-  
8 tracted, so long as they respectively continue in office,  
9 and until the debts are reduced to the amount of the  
10 capital stock. *Provided* that any of the directors who  
11 are absent at the time of contracting any debts con-  
12 trary to the foregoing provisions, or who object there-  
13 to, may exempt themselves from liability by forthwith  
14 giving notice of the facts to the stockholders, at a  
15 meeting which they may call for that purpose.

SECT. 25. If any certificate made or any statement  
2 or notice given by the officers of a company organized  
3 under the provisions of this act, is false in any mate-  
4 rial representation, all the officers who signed the same,  
5 knowing it to be false, shall be jointly and severally

6 liable for all the debts of the company contracted while  
7 they were officers or stockholders thereof.

SECT. 26. Any officer or stockholder of a company  
2 who voluntarily or by compulsion pays a debt of the  
3 company for which he is made liable by this act, may  
4 recover the amount so paid in an action against the  
5 company for money paid for its use ; in which action  
6 the property of the company only shall be liable to be  
7 taken, and not the property of any stockholder.

SECT. 27. Every such corporation shall annually in  
2 September make, and the president and treasurer shall  
3 sign, swear to and deposit with the recorder of deeds  
4 for said county, a certificate stating the amount of  
5 capital stock paid in, the names and number of shares  
6 held by each stockholder, the amount invested in real  
7 estate and personal property, the amount of property  
8 owned and the debts due to the corporation, and the  
9 amount of existing demands against the corporation at  
10 the date of the certificate.

SECT. 28. Process shall be served upon corporations  
2 in the same manner as is now directed by law with  
3 regard to other corporations.

SECT. 29. The stockholders of any and all corpora-  
2 tions under this act shall be personally liable for all  
3 sums of money due to laborers and operatives for ser-

4 vices rendered six months before demand made upon  
5 this corporation, and its neglect or refusal to make  
6 payment.

SECT. 30. Any member or stockholder who pays on  
2 a judgment or otherwise, more than his proportional  
3 share of any debt against the company, shall have a  
4 claim for contribution against the other members or  
5 stockholders.

SECT. 31. No stockholder or officer in such corpora-  
2 tion shall be held liable for its debts or contracts, un-  
3 less a judgment is recovered against it, and the cor-  
4 poration shall neglect for the space of thirty days after  
5 demand made on execution to pay the amount due  
6 with officer's fees, or exhibit to said officer real or per-  
7 sonal estate of the corporation subject to be taken on  
8 execution sufficient to satisfy the same, and the ex-  
9 ecution returned unsatisfied.

SECT. 32. After the execution shall be so returned,  
2 the judgment creditor or any other creditor may file a  
3 bill in equity in behalf of himself, and all other cred-  
4 itors of the corporation, against it and all persons who  
5 were stockholders therein at the time of the com-  
6 mencement of the suit in which such judgment was  
7 recovered, or against all the officers liable for its debts  
8 and contracts, for the recovery of the sums due from  
9 said corporation to himself and such other creditors,

10 for which the stockholders may be personally liable,  
11 by reason of any act or omission on its part, or that of  
12 its officers as stated in preceding sections of this act,  
13 setting forth the judgment and proceedings thereon,  
14 and the grounds upon which it is expected to charge  
15 the officers or stockholders personally.

SECT. 33. That such sums as may be decreed to be  
2 paid by the stockholders in such suit in equity, shall  
3 be assessed upon them in proportion to the amounts of  
4 stock by them respectively held at the time when the  
5 suit in which said judgment was recovered, was begun ;  
6 but no stockholder shall be liable to pay a larger sum  
7 than the amount of stock held by him at that time at  
8 its par value.

SECT. 34. After a suit in equity to enforce the  
2 liability of stockholders or officers shall have been  
3 commenced, it shall not be competent for plaintiff to  
4 discontinue the same without order of court, and such  
5 notice to other creditors as the court may direct.

SECT. 35. The stockholders and officers of corpora-  
2 tions organized under this act shall not be individually  
3 liable for the debts of said corporation, otherwise than  
4 in this act provided.

SECT. 36. That no stockholder shall be held individ-  
2 ually liable for any debt from such corporation, unless  
3 the same shall have been sued for within one year

4 after the time it became due and payable or within six  
5 months after judgment on the same has been recovered  
6 against the corporation.

SECT. 37. It shall be lawful for any company incor-  
2 porated under the provisions of this act to borrow on  
3 loan, for the prosecution of their legitimate business,  
4 any sum or sums of money not exceeding the amount  
5 of capital stock actually paid in, and issue bonds there-  
6 for at a rate of interest not exceeding six per cent.  
7 per annum ; and for securing the payment thereof to  
8 execute a mortgage of all or any part of their real  
9 estate and franchises under the seal of the corporation  
10 to be signed and acknowledged by the president  
11 thereof.

SECT. 38. The loan created shall first be approved  
2 by a majority of the stockholders, at a meeting called  
3 to consider the propriety of borrowing the proposed  
4 sum of money.

SECT. 39. This act shall take effect when approved.

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## STATE OF MAINE.

HOUSE OF REPRESENTATIVES, }  
February 16, 1867. }

Reported by Mr. FRYE, from the Committee on the Judiciary.

FRANKLIN M. DREW, *Clerk.*