

# MAINE STATE LEGISLATURE

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June 16, 1943

Erling Berg, Esq.,  
601-3 Torrey Building,  
Duluth, Minnesota.

Dear Sir:-

I have your letter of June 5th. This office cannot render advice or opinions to individuals, being established for the purpose of giving such advice and opinions to the various State departments.

However, unofficially, it would seem that the Maine laws do not permit Maine corporations to buy and sell their own stock, although under Section 21 of Chapter 56, Revised Statutes of 1930, Maine corporations may buy and sell stock of other corporations.

Section 20 of said Chapter 56, R.S. 1930, provides as follows: "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." This provision may well be construed as permitting such retirement of preferred stock as you refer to in your letter. By inference, at least, it would seem to preclude purchase of its own common stock by the corporation and seems to limit the right of the corporation to retire preferred stock.

Very truly yours,

Frank A. Farrington  
Deputy Attorney General

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