

MAINE STATE LEGISLATURE

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May 13, 1953

To E. L. Newdick, Deputy Commissioner of Agriculture
Re: Liability of Stockholders

We have your letter of May 8, 1953, in which you seek an interpretation of Chapter 27, section 124 et seq. with particular attention to section 129.

You state the following fact situation:

"During this last year we have been doing business with a company known as Kroemer Farms Inc., who are now in receivership. Mr. Kroemer who was the largest stockholder in Kroemer Farms Inc., proposes to do business this year under the name of his wife, Nora Kroemer, providing he gets a non-disturbance clause from the receivers of Kroemer Farms. He proposes to hire land and equipment from the receivers and grow a crop of potatoes this year. Should we accept the application of Nora Kroemer for certification and continue to work with this new outfit in spite of the fact that Kroemer still owes us a considerable sum of money?"

The very purpose of a corporation is to limit the liability of its stockholders to the amount of their subscription unless other liabilities are imposed by virtue of the statutes. We can find no superimposed liabilities under our statutes, having any relation to this problem, and it is our opinion that Nora Kroemer has the right to apply for inspection and certification.

James Glynn Frost
Deputy Attorney General

jgf/c