

MAINE STATE LEGISLATURE

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ONE - HUNDRETH LEGISLATURE

Legislative Document

No. 1219

H. P. 884

House of Representatives, February 2, 1961

Referred to Committee on Judiciary. Sent up for concurrence and ordered printed.

HARVEY R. PEASE, Clerk

Presented by Mr. Cox of Dexter.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-ONE

AN ACT Relating to the Dissolution of Corporations.

Be it enacted by the People of the State of Maine, as follows:

R. S., c. 53, § 104, amended. Section 104 of chapter 53 of the Revised Statutes is amended to read as follows:

'Sec. 104. Injunction against continuing business. 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, or whenever, notwithstanding the fact that the corporation is solvent or earning profits in the conduct of its business, the voting stockholders are evenly divided into 2 independent ownerships, interests or factions, and the number of directors is even and equally divided respecting the management of the corporation with $\frac{1}{2}$ of the stockholders favoring the course advocated by $\frac{1}{2}$ of the directors and the other $\frac{1}{2}$ of the stockholders favoring the course of the other $\frac{1}{2}$ of the directors; or the number of directors is uneven, but the 2 factions of the ownership are unable to agree on or elect successor directors and the old directors are holding over, upon application of complaint filed against the corporation by 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 complaint such notice shall be given as may be ordered by any justice of either of such the courts court, in term time or vacation, either of such the courts court may, if it finds that sufficient cause exists, issue an in-

junction, 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.'