

MAINE STATE LEGISLATURE

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New Draft of: H. P. 791, L. D. 1105
(New Title)

ONE - HUNDREDDTH LEGISLATURE

Legislative Document

No. 1575

H. P. 1143 House of Representatives, April 29, 1961
Reported by Mr. Rust from Committee on Judiciary. Printed under Joint
Rules No. 10.

HARVEY R. PEASE, Clerk

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. Judgment of dissolution and injunction against continuing business.
Whenever

I. It is made to appear in a civil action brought by any creditor or stockholder, that

A. A ~~any~~ corporation ~~shall become~~ is insolvent or ~~be~~ is in imminent danger of insolvency, or

B. ~~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

C. ~~whenever~~ It has ceased to do business, or

D. Its charter has expired or been forfeited, or

II. It is made to appear in a civil action brought by any stockholder of a corporation organized under the general laws and having no more than 10 stockholders that, notwithstanding the fact that the corporation is solvent or earning profits in the conduct of its business,

A. 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

B. 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, or

C. The corporation is otherwise deadlocked in its management, the court may enter judgment dissolving the corporation. ~~upon application of any creditor or stockholder by bill in equity filed in the supreme judicial court or the superior court~~ The action shall be brought in the county in which ~~the corporation~~ has an established place of business or in which it held its last stockholders' meeting. ~~upon which bill such notice shall be given as may be ordered by any justice of either such courts, in term time or vacation, either of such courts~~ At any time during the pendency of the action and in aid of judgment the court may, if it finds that sufficient cause exists, issue ~~an injunction~~ injunctions and restraining orders, 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.~~