

# MAINE STATE LEGISLATURE

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# FIFTIETH LEGISLATURE.

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HOUSE.

No. 48.

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## STATE OF MAINE.

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

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AN ACT fixing the liability of stockholders in corporations.

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

SECTION 1. The capital stock subscribed for any  
2 corporation is declared to be and stand for the security  
3 of all creditors thereof; and no payment upon any  
4 subscription or agreement to or for the capital stock of  
5 any corporation, shall be deemed a payment within  
6 the purview of this act, unless *bona fide* made in cash,  
7 or in some other matter or thing at a *bona fide* and  
8 fair valuation thereof.

SECT. 2. Hereafter no dividend declared by any  
2 corporation from the capital stock or in violation of  
3 any statute, no withdrawal of any portion of the capi-

4 tal stock thereof directly or indirectly, no cancellation  
5 or surrender of any stock, and no transfer of any stock  
6 in any form to the corporation which issued the same,  
7 shall be valid as against any person who may hereafter  
8 have a lawful and *bona fide* judgment against said cor-  
9 poration, based upon any future claim in tort or  
10 contract or for any penalty, or as against any receivers,  
11 trustees or other persons appointed to close up the  
12 affairs of any corporation which is or may be insolvent.

SECT. 3. Any person having such judgment or any  
2 such trustees, receivers or other persons appointed to  
3 close up the affairs of any corporation which is or may  
4 be insolvent, may, within two years after their right  
5 of action given by this statute accrues, commence an  
6 action of the case or bill in equity, without demand or  
7 other previous formalities, against any person or per-  
8 sons, if a bill in equity jointly or severally, otherwise  
9 severally, who has subscribed for or agreed to take  
10 stock in the said corporation and has not paid for the  
11 same; or who has received dividends declared from  
12 the capital stock or in violation of any statute; or who  
13 has withdrawn any portion of the capital stock, or  
14 cancelled and surrendered any of his stock, and re-  
15 ceived any valuable consideration therefor from the  
16 corporation except its own stock or obligation for its  
17 own stock; or who has transferred any of his stock to

18 the corporation as collateral security or otherwise and  
19 received any valuable consideration therefor as afore-  
20 said ; and in such action may recover the amount of  
21 the capital stock so remaining unpaid or withdrawn,  
22 not exceeding the amounts of said judgments or the  
23 deficiency of the assets of such insolvent corporation.

SECT. 4. Any one of the defendants in any such  
2 suit may prove that he has already in good faith paid  
3 by himself or through any other person who has as-  
4 sumed his stock or subscription, to any person holding  
5 a *bona fide* judgment, or to any such trustee or receiver  
6 or other such person duly authorized, or to the corpora-  
7 tion itself, the whole or any part of amount or amounts  
8 for which he would be liable under this act, or that he  
9 has already been in good faith and without collusion  
10 sued for, and is still in peril of being compelled  
11 to pay such amount or amounts in whole or part,  
12 to some other person, in which latter case the suit may  
13 be continued to await, on payment of defendant's costs  
14 from term to term ; or he may prove that the amounts  
15 illegally received by him from said corporation were  
16 received more than two years before the claim or  
17 claims arose on which such judgment was obtained, or  
18 if the suit is by trustees, receivers or other such per-  
19 son, more than two years before the commencement of  
20 the legal proceedings by virtue of which such corpora-

21 tion passed into the hands of trustees or receivers ; or  
22 he may prove the invalidity of such judgment in any  
23 particular which could avail the corporation on a writ  
24 of error, or that said judgment was not *bona fide* ; or  
25 he may prove that he has *bona fide* claim or claims in  
26 contract or tort, several or joint with other persons,  
27 against said corporation, absolute or contingent, or  
28 which could be availed of by set off in court or on  
29 execution, for the whole or any part of the amount or  
30 amounts for which he would be liable under this act ;  
31 or in case his stock was transferred to such corpora-  
32 tion as collateral security or as payment, he may either  
33 prove that the same was so transferred in good faith  
34 as security or payment for, or of, an anterior liability  
35 incurred without any concurrent agreement for the  
36 transfer of such stock, and for which the corporation  
37 was unable to obtain other sufficient security or pay-  
38 ment, or in such case he may prove that whatever  
39 sum was received thereon, has been in whole or part  
40 repaid to such corporation. The proof of any of such  
41 matters shall constitute a defence as to such defendant  
42 in whole or in part as the case may be.

SECT. 5. No stockholder in any corporation in this  
2 state, except in banks, shall hereafter be liable for the  
3 debts of or claims against said corporation beyond any  
4 amount or amounts withdrawn or not paid in as afore-

5 said; but this act shall not affect liabilities of any  
6 officer of any corporation.

SECT. 6. Nothing herein contained shall be con-  
2 strued to affect any liability, of any person or corpora-  
3 tion, or remedy therefor existing when this act takes  
4 effect.



STATE OF MAINE.

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IN HOUSE OF REPRESENTATIVES, }  
February 15, 1871. }

Reported from the Committee on the Judiciary, and printed under the rules.

S. J. CHADBOURNE, *Clerk.*