

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

Fifty-Seventh Legislature.

HOUSE.

No. 66.

STATE OF MAINE.

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

AN ACT to authorize reduction of capital stock of
corporations.

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

SECTION 1. Whenever the assets of any corporation
2 have been diminished by losses or depreciation of
3 property, so that its capital is impaired, such corpora-
4 tion, at any meeting of the stockholders legally called
5 therefor, with the consent expressed at such meeting
6 or at any adjournment thereof, of not less than two-
7 thirds in amount of all the outstanding stock of said
8 corporation, may reduce the outstanding stock to the
9 extent of such impairment, and thereupon the par
10 value of all shares issued or to be issued shall be re-
11 duced proportionally.

SECT. 2. Within thirty days after such reduction is made, any stockholder, who has not agreed thereto, may file a bill in equity in any county in which said corporation has an established place of business, or held the last stockholders' meeting, for a revision of the proceedings of the corporation in making said reduction, upon which such proceedings may be annulled or modified, so that such reduction shall not exceed the actual impairment of capital. The action of the court, or, if no bill is filed as aforesaid, the action of the corporation, as provided in the first section, shall be conclusive upon all parties, whether stockholders or creditors, and such reduction shall not create any personal liability whatever of any stockholder or officer of such corporation.

SECT. 3. The clerk or secretary of said corporation shall file with the secretary of state, a certified copy of such proceedings, within thirty (30) days after they are taken, or suffer a penalty of one thousand dollars, to be recovered by an action of debt in favor of any existing or future creditor of such corporation, first suing therefor in any court or county in which a transitory action between the same parties can lawfully be brought.

SECT. 4. Simultaneously with or after such reduction of stock of any corporation, such corporation may from time to time authorize the issue of new shares of stock of the reduced par value, until the gross capital shall equal the gross capital authorized by the charter or articles of association of said corporation before such reduction was made, although the new shares should increase the whole issue of shares beyond the number of shares authorized by such charter or articles of association.

SECT. 5. This act shall take effect on approval.

STATE OF MAINE.

IN HOUSE OF REPRESENTATIVES, }
January 30, 1878. }

Reported from the Committee on the Judiciary, by Mr. PIERCE
of Portland, and ordered printed under the Joint Rule.

ORAMANDAL SMITH, *Clerk.*