

MAINE STATE LEGISLATURE

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FIFTY-EIGHTH LEGISLATURE.

HOUSE.

No. 134.

[NEW DRAFT.]

STATE OF MAINE.

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

AN ACT relating to bondholders of the Portland and Rochester Railroad Company.

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

SECTION 1. The holders of bonds of the Portland and Rochester Railroad Company, are hereby authorized and empowered to organize and form a corporation, for the purpose of taking possession of and operating the railroad, property and franchises mortgaged by that company for the security of its bonds, with all the powers, rights and privileges conferred and subject to the duties imposed by its charter and the laws of the state.

SECT 2. A meeting for the purpose of organizing such new corporation may be called by one or

3 more persons owning mortgage bonds of the
4 Portland and Rochester Railroad Company to an
5 amount not less than one hundred thousand dollars,
6 by publishing notice in two daily papers printed in
7 Portland, every day for two weeks, stating the
8 time, place and general purposes of the meeting.

SECT. 3. At the meeting called as provided in
2 the preceding section, a moderator shall be chosen,
3 and a clerk; the clerk shall be sworn by the mod-
4 erator, or by a justice of the peace, to keep a true
5 record of the proceedings, which record shall con-
6 stitute a portion of the records of any new corpor-
7 ation, then or at any adjournment of the same meet-
8 ing organized under this act.

SECT. 4. No person shall be entitled to vote at
2 any meeting of the bondholders after the choice of
3 a moderator and clerk, until he has produced his
4 bonds, and a record of their numbers, date, princi-
5 pal sum, and the place of the residence of the owner
6 has been made by the clerk; any person who has
7 so produced or caused to be produced and recorded
8 his bonds, may vote in person or by proxy. When-
9 ever at any meeting two persons so demand, the
10 vote upon any question shall be taken according to
11 interest, one vote being allowed to each one hun-
12 dred dollars of the principal of the bonds. At the

13 first meeting held and called as above provided,
14 provision shall be made for calling other meetings,
15 and all further meetings called and held accord-
16 ingly shall be and taken to have all the rights,
17 powers and consequences of adjournments of the
18 first meeting.

SECT. 5. The bondholders at a meeting duly held
2 under this act, may with the concurrence of the
3 holders of not less than three-fourths of the amount
4 of the total principal of the outstanding bonds of
5 the Portland and Rochester Railroad Company, ex-
6 clusive of its indebtedment to the city of Portland,
7 may vote to purchase the interest and title of the
8 city of Portland in that railroad, and settle and ad-
9 just all outstanding debts of said railroad corpora-
10 tion, and to assess the amount to be paid therefor
11 upon the persons voting in favor of such purchase,
12 in proportion to the amount of bonds held by them
13 respectively. If any person so voting shall refuse
14 to pay the amount assessed upon him, any other
15 bondholder or bondholders may pay the amount in
16 his stead, and be substituted in all his rights and
17 privileges under this act, subject to the right of
18 the person so refusing to redeem his interest by
19 paying the amount of his assessment with interest,
20 at any time within three years, and not afterwards.

SECT. 6. If in pursuance of the power conferred
2 by the preceding section, the interest of the city of
3 Portland is purchased by bondholders, and said
4 outstanding bills, accounts, and indebtedness of
5 said corporation are paid, the amount paid there-
6 for, together with such per centage or portion of
7 the total amount of the mortgage bonds the Port-
8 land and Rochester Railroad Company, exclusive
9 of interest, as shall by the purchasing bondholders
10 be determined at time of purchase, shall be the
11 capital stock of the new corporation, to be divided
12 into shares of one hundred dollars each, for which
13 scrip shall be issued to the parties entitled, convert-
14 ible into stock, on the perfection of the corporation
15 as hereinafter provided; and a treasurer of the co-
16 operating bondholders shall be chosen to manage
17 their financial matters.

SECT. 7. A correct account shall be kept of the
2 amount paid by each bondholder towards the pur-
3 chase of the interest of the city of Portland, and
4 indebtedness as aforesaid, which account shall be
5 certified by the treasurer to the clerk, and by him
6 entered on the records; any bondholder wishing to
7 participate in the benefits of this act, may at any
8 time prior to the full completion and establishment
9 of the corporation in this act provided for, may

10 pay to the treasurer his pro rata proportion of the
11 amount paid to the city of Portland, and indebted-
12 ness so paid, with interest from the time of the pur-
13 chase till he pays, and shall thereupon have all the
14 rights and interest of an original purchaser; all
15 sums so paid shall be distributed equitably among
16 the original purchasers. All right, title and interest
17 of any bondholder, neglecting or refusing to con-
18 tribute the just proportion upon any of his bonds,
19 shall as to such bonds, be forever extinguished and
20 barred, after the full organization and establishment
21 of a new corporation as herein provided.

SECT. 8. Whenever the bondholders shall have
2 purchased as above provided, the interest of the
3 city of Portland, and paid said indebtedness, they
4 may take possession of all the property and fran-
5 chises of the Portland and Rochester Railroad, for
6 the purpose of foreclosure of the mortgages to the
7 city of Portland, for their own benefit, and shall
8 cause notice thereof to be recorded in the registry
9 of deeds in the counties of York and Cumberland,
10 within thirty days from so taking possession, which
11 notice shall be signed by the clerk and treasurer of
12 the bondholders; and they shall have full power
13 and authority to manage, control and operate said
14 property and franchises, in the name of the existing

15 company, and shall be subject to and bound by all
16 existing lawful business contracts of the com-
17 pany.

SECT. 9. The bondholders in possession shall
2 keep true and regular accounts of all earnings and
3 expenditures, and shall cause to be published an-
4 nually in the state paper, and in one paper printed
5 in each of the counties of York and Cumberland,
6 an abstract showing the gross earnings, the expen-
7 ditures and the net earnings of the property for
8 the year preceding such abstract. At any time
9 within three years from the time when possession
10 is taken, the railroad company or the stockholders
11 thereof may redeem the property, by paying to the
12 persons in possession, the amount paid to the city
13 of Portland, with interest and the amount due to
14 the bondholders on their bonds, principal and in-
15 terest, and they shall be credited in such payment,
16 with the net earnings of the property to the time of
17 redemption, with interest, on the net profits shown
18 at each annual statement. If within three years
19 from the time of taking possession, there is no
20 redemption, the right of the company and its
21 stockholders to redeem such property shall be for-
22 ever foreclosed, and the title to the same shall be
23 and become absolute in the bondholders entitled

24 according to the provisions of this act to share in
25 the same.

SECT. 10. When according to the provisions of
2 this act foreclosure is complete and absolute, the
3 bondholders shall cause a meeting to be held, for
4 completing and perfecting their organization into
5 a new corporation; at such meeting they shall
6 adopt a corporate name, choose a board of not less
7 than seven directors, a president, who shall ex-
8 officio be one of the directors, a clerk and treasurer.

SECT. 11. The president and directors shall cause
2 a certificate, signed and sworn to by them, setting
3 out the facts of the purchase, taking possession,
4 and that no redemption has taken place, the meet-
5 ing for organization, the corporate name adopted,
6 and the names of the officers chosen, and the
7 amount of capital stock to be recorded in the office
8 of register of deeds, in each of the counties of
9 York and Cumberland, and a copy of such certifi-
10 cate verified by the registers of both counties, who
11 shall also certify the record of the same in their
12 respective counties, shall be filed in the office of
13 the secretary of state, and the date of such filing
14 shall be certified by the secretary on the original.

SECT. 12. Upon the filing of the certificate as
2 provided in the preceding section, the corporation

3 shall be legally and fully established and organized,
4 and shall have all the franchises, rights and pow-
5 ers, and subject to all the duties and obligations
6 provided by law for railroad corporations in this
7 state.

SECT. 13. Nothing herein contained shall dimin-
2 ish or impair any rights of the city of Portland in
3 and to any and all securities of said railroad corpo-
4 ration it may hold.

SECT. 14. This act shall take effect on its approval.

STATE OF MAINE.

IN HOUSE OF REPRESENTATIVES, }
February 14, 1879. }

Reported from the Committee on the Judiciary, in a new draft,
by Mr. WILSON of Thomaston, and ordered printed.

B. L. STAPLES, *Clerk.*