

# MAINE STATE LEGISLATURE

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# SEVENTY-SECOND LEGISLATURE

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SENATE.

No. 70

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## STATE OF MAINE.

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IN THE YEAR OF OUR LORD ONE THOUSAND NINE  
HUNDRED AND FIVE.

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AN ACT to provide for the appointment of receivers of  
corporations.

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

Section 1. Whenever any corporation shall become insol-  
2 vent, or be in imminent danger of insolvency, or whenever  
3 through fraud, neglect or gross mismanagement of its affairs,  
4 or through attachment, litigation or otherwise its estate and  
5 effects are in danger of being wasted or lost, or whenever it  
6 has ceased to do business, or its charter has expired or been  
7 forfeited, upon application of any creditor or stockholder by  
8 bill in equity filed in the supreme judicial court in the county  
9 in which it has an established place of business, or in which it  
10 held its last stockholders' meeting, upon which bill such

11 notice shall be given as may be ordered by any justice of such  
12 court, in term time or vacation, such court may, if it finds  
13 that sufficient cause exists, issue an injunction, both tempo-  
14 rary and permanent, restraining said corporation, its officers  
15 and agents, from receiving any moneys, paying any debts,  
16 selling or transferring any assets of the corporation, or exer-  
17 cising any of its privileges or franchises until further order,  
18 and may at any time make a decree dissolving said corpora-  
19 tion.

Sect. 2. At the time of ordering any such injunction or at  
2 any time afterwards during its continuance, such court may  
3 also appoint one or more receivers to wind up the affairs of  
4 the company, who shall be duly sworn, and give bond in such  
5 sum and upon such conditions as such court shall determine,  
6 and shall at all times be subject to the direction and control of  
7 the court, which may at any time remove said receiver and  
8 appoint another in his place. All attachments made within  
9 thirty days before the filing of any such bill in equity, where-  
10 in a receiver is so appointed, shall thereupon be dissolved.

Sect. 3. Such receiver shall have power to institute or  
2 defend suits at law or in equity, in his own name as receiver,  
3 to demand, collect and receive all property and assets of said  
4 corporation, to sell, transfer, or otherwise convert the same  
5 into cash, and to conduct and carry on the business of said  
6 corporation, as ordered by the court, if it appears for the best  
7 interests of all concerned. He shall report to the court at  
8 least as often as every six months a statement of all the  
9 assets and liabilities of said corporation, and from time to

10 time shall distribute the assets of said corporation as provided  
11 in section seventy-nine of chapter forty-seven.

Sect. 4. Whenever a receiver is appointed as above, the  
2 court shall limit a time, not less than four months, of which  
3 decree notice shall be given, within which all claims against  
4 said corporation shall be presented, and make such order for  
5 the manner of hearing and proving same as may be just and  
6 proper, and all claims not so presented shall be forever  
7 barred.

Sect. 5. Said court may in its discretion, in lieu of decree-  
2 ing the dissolution of such corporation, order the receiver to  
3 sell its property and franchises; and the purchaser thereof  
4 shall succeed to all of the rights and privileges of such cor-  
5 poration, and may re-organize the same under the direction of  
6 said court. At any sale of such property at public auction,  
7 the court may, in its discretion, authorize the receiver to  
8 accept in payment duly allowed claims against such corpora-  
9 tion, at a proper valuation.

Sect. 6. The court shall have jurisdiction in equity of all  
2 proceedings hereunder and may make such orders and  
3 decrees as equity may require.

Sect. 7. Section seventy-eight of chapter forty-seven of the  
2 Revised Statutes is hereby repealed.

## STATE OF MAINE.

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IN SENATE, February 9, 1905.

Presented by Mr. ALLEN of York, and on motion by the same Senator, laid on table to be printed, pending reference to the Committee on the Judiciary.

KENDALL M. DUNBAR, *Secretary*.