

MAINE STATE LEGISLATURE

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SEVENTY-FOURTH LEGISLATURE

SENATE.

No. 171

STATE OF MAINE.

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

AN ACT to amend section twenty-one of chapter fifty-one of
the Revised Statutes, relating to increase of stock of railroad
corporations.

Be it enacted by the People of the State of Maine, as follows:

Section 1. Section twenty-one of chapter fifty-one of the
2 Revised Statutes is hereby amended so that the same shall
3 read as follows:

'Sect. 21. Whenever a railroad corporation which is in
5 actual possession of and operating a railroad increases its
6 capital stock under the provisions of the preceding section
7 the new shares shall be offered proportionately to its stock-
8 holders at such price, not less than the par value thereof,
9 as shall be determined by its stockholders. The directors,

10 upon the approval of such increase as provided in the pre-
11 ceding section, shall cause written notice of such increase
12 to be given to each stockholder of record upon the books
13 of the company at the date of the vote to increase, stating
14 the amount of the increase, the number of shares or frac-
15 tion of shares to which, according to the proportionate num-
16 ber of his shares at the date of the vote to increase, he is
17 entitled, the price at which he is entitled to take them, and
18 fixing a time, not less than fifteen days after the date of
19 such vote to increase within which he may subscribe for
20 such additional stock. Each stockholder may, within the
21 time limited, subscribe for his portion of such stock, which
22 shall be paid for in cash before the issue of a certificate
23 therefor. *Provided*, when the increase in the capital stock
24 does not exceed four per cent of the existing capital stock
25 of the corporation, the directors, without first offering the
26 same to the stockholders, may sell the same at auction to
27 the highest bidder at not less than the par value thereof.
28 If, after the expiration of the notice above provided for,
29 any shares of such stock remain unsubscribed for by the
30 stockholders entitled to take them, the directors may sell
31 the same at auction. All shares of stock to be disposed of
32 at auction under the provisions of this section shall be offered
33 for sale to the highest bidder in the city of Boston, or in
34 such city or town as may be prescribed by the railroad com-
35 missioners; and notice of the time and place of such sale
36 shall be published at least five times during the ten days

37 immediately preceding the time fixed for the sale, in such
38 daily newspapers, not less than three in number, as may
39 be prescribed by the commissioners. No shares shall be
40 sold or issued for a less sum, to be actually paid in cash,
41 than the par value thereof. *Provided further*, that the de-
42 termination by the Board of Railroad Commissioners, under
43 the provisions of the preceding section as to the amount of
44 such increase, shall be based upon the price at which such
45 stock is to be issued as fixed by the stockholders, and also
46 *provided* that said Commissioners shall refuse to approve
47 any particular issue of stock if, in their opinion, the price
48 fixed by the stockholders is so low as to be inconsistent with
49 the public interest.'

STATE OF MAINE.

IN SENATE,

February 11, 1909.

Reported by Mr. MULLEN from Committee on Railroads
and Expresses and laid on table to be printed under joint rules.

F. G. FARRINGTON, *Secretary*.