

MAINE STATE LEGISLATURE

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E I G H T Y - N I N T H L E G I S L A T U R E

Legislative Document

No. 995

H. P. 1825

House of Representatives, March 1, 1939.

Reported by Mr. Bird from Committee on Judiciary and laid on table to be printed under Joint Rules.

HARVEY R. PEASE, Clerk.

S T A T E O F M A I N E

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
THIRTY-NINE

AN ACT To Define the Preemptive Right of Stockholders.

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

R. S., c. 56, § 48, amended. Section 48 of chapter 56 of the revised statutes, as amended, is hereby further amended to read as follows:

‘Sec. 48. Changes in certificate of organization, how made. The stockholders of any corporation may, at any meeting, the call for which shall give notice of the proposed action, by a vote representing a majority of the voting power, except as herein otherwise provided, increase or decrease its authorized capital stock, change the number or par value of its shares or their classifications, change shares with par value into an equal or different number of shares without par value or shares without par value into an equal or different number either with or without par value, change the number of its directors, and, if not specially chartered, change its purposes by altering, abridging or enlarging the same, or make any other change or alteration in its certificate of organization as originally filed or subsequently amended that may be desired, provided, such change or alteration is not otherwise specifically provided for and would be proper to insert in an original certificate of organization, and the corporation shall file a certificate setting forth such changes with the secretary of state, who shall duly record the same, within 20 days thereafter, and thereupon said

changes shall take effect; provided, that every certificate of change of purposes shall be submitted to the attorney-general for examination and shall not be filed until it has been certified by him to be properly drawn and signed and to be conformable to the constitution and laws and that he is satisfied that such change of purposes is made in good faith and not for the purpose of avoiding payment of fees or taxes to the state.

Whenever issued shares having par value are changed into the same or a greater or less number of shares without par value, whether of the same or of a different class or classes of stock, and whenever issued shares without par value are changed into other shares without par value to a greater or lesser number, whether of the same or of a different class or classes, the amount of capital represented by the new shares in the aggregate shall be the same as the aggregate amount of capital represented by the shares so changed, and the certificate setting forth any such changes, the filing fee for which shall be \$5, shall set forth that the capital will not be reduced under or by reason of such amendment.

If any proposed change from one kind or class of stock to another kind or class would alter the preferences given to any one or more classes of stock by taking away any right or preference previously belonging thereto, then the holders of the stock of each class of stock so affected by the change shall be entitled to vote as a class upon such change, whether such class be otherwise entitled to vote or not; and the affirmative vote of eighty per cent in interest of each such class of stock so affected by the change shall be necessary to the adoption thereof, in addition to the affirmative vote of a majority of every other class of stock entitled to vote thereon.

The corporation, except as herein otherwise provided, shall pay to the secretary of state for the use of the state for any increase in the amount of its authorized capital stock an amount, in no case less than \$10, equal to the amount that a like corporation organized with such increased authorized capitalization would have to pay in excess of one organized with the old authorized capitalization. For every change of purposes the corporation shall pay to the secretary of state for the use of the state the sum of \$20 before he shall be authorized to receive any certificate of change of purposes.

Whenever the authorized capital stock of any corporation is increased by an issue of shares having a right to vote, all stockholders having a right to vote at the time of the issuance of such new shares shall enjoy a preemptive right to subscribe thereto unless, such right shall be negatived either by some statute applicable thereto or by a vote of 80% of the shares voting to authorize such new issue in accordance with an appropriate prior

provision of the charter or by-laws of the company authorizing such vote, which provision or by-laws must have been adopted by the stockholders either at the time of organization or by a subsequent unanimous vote of those stockholders present and voting.'