

MAINE STATE LEGISLATURE

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

Legislative Document

No. 681

S. P. 249

In Senate, February 10, 1955

Referred to the Committee on Judiciary, sent down for concurrence and ordered printed.

CHESTER T. WINSLOW, Secretary

Presented by Senator Reid of Kennebec.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-FIVE

AN ACT Relating to the Merger, Consolidation, Etc. of Corporations.

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

Sec. 1. R. S., c. 53, § 84, sub-§ I, amended. Subsection I of section 84 of chapter 53 of the revised statutes is hereby amended to read as follows:

'I. No corporation shall sell, lease, consolidate or in any manner part with its franchises or its entire property, or any of its property, corporate rights or privileges essential to the conduct of its corporate business and purposes, otherwise than in the ordinary and usual course of its business, except with the consent of its stockholders at an annual or special meeting, call for which shall give notice of the proposed sale, lease or consolidation; **provided, however,** that if any corporation is engaged in the manufacture within the State of cotton cloth, fiber, yarn or thread, then the consent of 80% of the outstanding voting stock of such corporation at an annual or special meeting called as aforesaid, shall, notwithstanding any provisions to the contrary fixed or determined by the by-laws or by vote of the stockholders of said corporation, be required for such corporation to sell, lease, consolidate or in any manner part with its franchises or its entire property within the State, or any of its property, corporate rights or privileges essential to the conduct of its corporate business and purposes within the State, otherwise than in the ordinary and usual course of its business. All such sales, leases and consolidations, except as in this section hereinafter otherwise provided, shall be subject to the provisions of this and the 11 following sections and to the prior lien of stockholders as therein defined. This and the 11 following sections shall not apply to mortgages of corporate property, and provisions of these sections in respect of rights of minority and dissenting stockholders shall be inapplicable

to railroad corporations so long as federal law requires approval by the interstate commerce commission of terms and conditions of sale, lease or other disposition of properties or consolidation or merger of corporations.'

Sec. 2. R. S., c. 53, § 84, sub-§ III, amended. Subsection III of section 84 of chapter 53 of the revised statutes is hereby amended to read as follows:

III. Subject to provisions of by-laws with reference to closing stock books prior to stockholders' meetings, said consolidation agreement shall be submitted to the stockholders of record of each corporation at a meeting thereof called separately for the purpose of taking the same into consideration, and at said meeting a vote in person or by proxy shall be taken for the adoption or rejection of said agreement, and if the votes of stockholders of each corporation representing a majority of the voting power, on a proposal to consolidate said corporation with another, shall be for the adoption of said agreement, **or if, in the case of a corporation engaged in the manufacture within the State of cotton cloth, fiber, yarn or thread, 80% of the voting power, notwithstanding any provisions to the contrary fixed or determined in the by-laws or by vote of the stockholders of said corporation, shall be for the adoption of said agreement,** then that fact shall be certified on said agreement by the clerk or secretary of each corporation and the agreement so signed, acknowledged, adopted and certified, after it has been examined by the Attorney General and been by him certified to be properly drawn and signed and to be conformable to the Constitution and laws of this State, shall be recorded in the registry of deeds in the county where the said consolidated corporation is located, and within 60 days after the day of the meeting at which said consolidation agreement is adopted by the stockholders, a copy thereof certified by such register shall be filed in the office of the Secretary of State, who shall enter the date of filing thereon and on the original agreement, certified as aforesaid, to be kept by the consolidated corporation, and shall record said copy. From the time of filing the copy of such agreement in the office of the Secretary of State, said agreement shall be taken and deemed to be the agreement and act of consolidation of the said corporations and said original consolidation agreement or a certified copy thereof shall be evidence of the existence of such consolidated corporation and of the observance and performance of all acts and conditions necessary to have been observed and performed precedent to such consolidation.'