

By Mr. Cramer, petition of Robert P. Cramer for legislation to further regulate the issuance of preferred stock. Mercantile Affairs.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Sixty-One.

AN ACT FURTHER REGULATING THE ISSUANCE OF PREFERRED STOCK.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 155 of the General Laws is hereby amended by
2 striking out section 18, as appearing in the Tercentenary Edi-
3 tion, and inserting in place thereof the following section:—
4 *Section 18.* Every corporation may issue preferred stock of
5 one or more classes to an amount not exceeding at any time
6 the amount of the common stock then outstanding and all
7 cash premiums paid to the company thereon and applied to
8 the purposes of the corporation with such preferences and
9 voting powers or restrictions or qualifications thereof as shall
10 be fixed and determined in the agreement of association at
11 the organization of the corporation; or after organization, as
12 to any such preferred stock or additional class thereof, by a
13 vote of the majority of the outstanding stock entitled to vote
14 thereon or by a bylaw adopted by a vote of a majority of the
15 outstanding stock entitled to vote thereon, at a meeting duly
16 called for the purpose. This section shall not apply to corpo-
17 rations organized under chapter one hundred and fifty-six or
18 to railroad corporations or street railway companies.

