

HOUSE No. 556.

[Bill accompanying the petition of Mark N. Skerrett for additional legislation relative to the issue of trust certificates and other securities by street railway companies, or companies engaged in the manufacture or sale of gas or electric light. Mercantile Affairs. Jan. 30.]

Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Three.

AN ACT

Relative to the Issue of Stock, Bonds and Trust Certificates based upon the Franchises and Property of Certain Domestic Corporations.

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

1 SECTION 1. Section eleven of chapter one
2 hundred and twenty-six of the Revised Laws is
3 hereby amended by striking out the first line
4 thereof and in inserting in place thereof the fol-
5 lowing :—If a person, association of persons or
6 foreign corporation owning or controlling a,—
7 and by inserting after the word “bonds,” in the

8 third line, the word : — certificates, — and by in-
9 serting after the word “indebtedness,” in the
10 fourth line, the words : — title or interest, — so as
11 to read as follows : —

12 *Section 11.* If a person, association of persons
13 or foreign corporation, owning or controlling a
14 majority of the capital stock of a domestic street
15 railway, gas light or electric light corporation,
16 issues stock, bonds, certificates or other evidences
17 of indebtedness, title or interest, based upon or
18 secured by the property, franchise or stock of
19 such domestic corporation, unless such issue is
20 authorized by the law of this Commonwealth, the
21 supreme judicial court shall have jurisdiction in
22 equity, in its discretion, to dissolve such domestic
23 corporation. If it appears to the attorney-general
24 that such issue has been made, he shall institute
25 proceedings for such dissolution and for the
26 proper disposition of the assets of such corpora-
27 tion. The provisions of this section shall not
28 affect the rights of foreign corporations, their
29 officers or agents, to issue stock and bonds in
30 fulfillment of contracts existing on the fourteenth
31 day of July in the year eighteen hundred and
32 ninety-four.

1 SECTION 2. This act shall take effect upon its
2 passage.