

by imprisonment in the state prison for not more than ten years, or in a jail or house of correction for not more than two and one half years, or by both such fine and imprisonment.

*Approved April 30, 1956.*

*Chap. 298* AN ACT TO INCORPORATE THE MASSACHUSETTS HIGHER EDUCATION ASSISTANCE CORPORATION.

*Be it enacted, etc., as follows:*

SECTION 1. In this act, unless the context otherwise requires, the following words shall have the following meanings: —

“Corporation”, the Massachusetts Higher Education Assistance Corporation created by this act.

“Financial institution”, any banking corporation or institution, trust company, national bank, insurance company, or related corporation, partnership, foundation or other institution engaged primarily in lending or investing funds, and authorized to do such business within this commonwealth.

“Educational institution”, any public or private college, normal school, professional school, scientific or technical institution, university or other institution furnishing a program of higher education.

“Approved educational institution”, any educational institution approved by the state-approving agency for the state where such educational institution is situated, and by the board of directors of this corporation.

“Program of higher education”, any curriculum, or any combination of unit courses or subjects, which is generally accepted as necessary to fulfill requirements for the attainment of a predetermined and identified educational, professional or vocational objective higher than graduation from secondary school.

“Student”, any person domiciled in Massachusetts who (i) is enrolled and in satisfactory standing at an approved educational institution; (ii) is pursuing a program of higher education; and (iii) has satisfactorily completed the requirements of freshman year of his program of higher education.

“Freshman year”, the period consisting of the first academic year of the program of higher education furnished by an approved educational institution.

“Board of directors”, the board of directors of the corporation constituted under section ten.

SECTION 2. Christian A. Herter, Samuel Cabot, Jr., Erwin D. Canham, Harold C. Case, Ephron Catlin, Jr., Forrester A. Clark, Richard I. Furbush, Thomas M. Hennessey, Edward B. Hineckley, Richard S. Holden, Donald J. Hurley, John A. Callahan, Harrison Keller, James R. Killian, Jr., J. William Belanger, Ralph Lowell, David B. H. Martin, Very Rev. Joseph R. N. Maxwell, S. Justus McKinley, Very Rev. Vincent A. McQuade, Robert J. Munce, William E. Park, Carl S. Ell, Nathan M. Pusey,

Richard S. Robie, Abram L. Sachar, Glenwood J. Sherrard, Michael F. Skerry, Edward R. Tufts, their associates, successors and assigns, are hereby constituted a body corporate under the name of Massachusetts Higher Education Assistance Corporation. The corporation shall be subject to, and have the powers and privileges conferred by, the provisions of chapter one hundred and fifty-five and sections twenty-six and twenty-seven of chapter one hundred and fifty-six of the General Laws, except so far as said provisions are inconsistent with or otherwise restricted or limited by the provisions of this act. The provisions of chapter one hundred and eighty of the General Laws shall not apply to the corporation.

SECTION 3. The principal office of the corporation shall be located in the city of Boston. The corporation may have offices in such other places within the commonwealth as may be fixed by the board of directors.

SECTION 4. The purposes of the corporation shall be to aid and assist students to fulfill a program of higher education.

In furtherance of such purposes and in addition to the powers conferred on business corporations by the provisions of the General Laws specified in section two, the corporation shall, subject to the restrictions and limitations herein contained, have the following powers: —

(a) To elect, appoint and employ officers, agents and employees; to make contracts and incur liabilities for any of the purposes of the corporation, including any secondary liability by way of guaranty or endorsement of the obligations of any student, his parent or guardian, or of any approved educational institution.

(b) To raise money for any of the purposes of the corporation by the issue of not more than one thousand shares of non-voting capital stock of the par value of one hundred dollars each to members, and by borrowing and to issue for such borrowing its bonds, debentures, notes or other evidences of indebtedness, whether secured or unsecured, and to secure the same by mortgage, pledge, deed of trust or other lien on its property, franchises, rights and privileges of every kind and nature or any part thereof or interest therein, without securing member approval.

(c) To make loans to any student, his parent or guardian, or to any approved educational institution, and to establish and regulate the terms and conditions with respect to any such loans and the charges for interest and service connected therewith.

(d) To purchase, receive, hold, lease, or otherwise acquire, and to sell, convey, transfer, lease or otherwise dispose of real and personal property, together with such rights and privileges as may be incidental and appurtenant thereto and the use thereof, including, but not restricted to, any real or personal property acquired by the corporation from time to time in the satisfaction of debts or enforcement of obligations.

(e) To receive money or other property, tangible or intangible, real, personal or mixed, by gift, bequest, devise, or otherwise.

(f) To acquire, subscribe for, own, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of the stock, shares, bonds, debentures, notes or other securities and evidences of interest in, or indebtedness of, any person, firm, corporation, joint stock company, association or trust, and while the owner or holder thereof to exercise all the rights, powers and privileges of ownership, including the right to vote thereon.

(g) To do all acts and things necessary or convenient to carry out the powers expressly granted in this act.

SECTION 5. Notwithstanding any rule at common law or any provision of any general or special law or any provision in their respective charters, agreements of association or articles of organization, any financial institution and any domestic corporation organized for the purpose of carrying on business within this commonwealth, including without implied limitation any electric or gas company as defined in section one of chapter one hundred and sixty-four of the General Laws, and any railroad corporation as defined in section one of chapter one hundred and sixty of said General Laws, is hereby authorized to make contributions or loans to the corporation and to acquire, purchase, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of any bonds, securities or other evidences of indebtedness created by, or the shares of capital stock of, the corporation, all without the approval of any regulatory authority of the commonwealth.

SECTION 6. Any corporation specified in section five, any foreign corporation authorized to do business in this commonwealth, any financial institution, and any approved educational institution shall be eligible for membership in the corporation upon such terms and conditions, not inconsistent with the provisions of this act, and upon payment of such fees as the by-laws may provide.

No member of the corporation shall be responsible for losses of the corporation or liable for the payment of any sum of money or for damages or otherwise on account of any contract or obligation of the corporation.

SECTION 7. Membership in the corporation shall be for the duration of the corporation; provided that (a) upon written notice given to the corporation as provided in the by-laws, a member may withdraw from membership in the corporation at the expiration date of such notice; or (b) if there shall be a legislative amendment to this charter which shall not have been approved by the members as provided for in section nine within sixty days after the effective date of such amendment, any member voting against the approval of such amendment may withdraw from membership forthwith upon giving written notice to the corporation not later than ninety days from the effective date of such amendment;

or (c) the board of directors may by affirmative vote of two thirds of its number terminate the membership of any member if in its discretion such action is in the best interests of the corporation.

SECTION 8. The members of the corporation shall have the following powers of the corporation: — (a) to determine the number of and elect directors as provided in section ten; (b) to make, amend and repeal by-laws; (c) to amend this charter as provided in section nine; (d) to dissolve the corporation as provided in section seventeen; (e) to exercise such other of the powers of the corporation as may be conferred on the members by the by-laws.

As to all matters requiring action by the members of the corporation, except as otherwise herein provided, such matters shall require the affirmative vote of a majority of the votes to which the members present or represented at the meeting shall be entitled. Each member shall have one vote, in person or by proxy.

SECTION 9. This charter may be amended by the votes of the members of the corporation, and such amendments shall require approval by the affirmative vote of two thirds of the votes to which the members shall be entitled; provided, that no amendment of this charter which is inconsistent with the general purposes expressed herein or which eliminates or curtails the obligation of the corporation to make reports as provided in section twelve shall be made without amendment of this act; and provided, further, that no amendment of this charter which affects a member's right to withdraw from membership as provided in section seven, or affects a member's voting rights as provided in section eight, shall be made without the consent of each member affected by such amendment.

Within thirty days after any meeting at which amendment of this charter has been adopted, articles of amendment signed and sworn to by the president, treasurer and a majority of the directors, setting forth such amendment and due adoption thereof, shall be submitted to the attorney general of the commonwealth, who shall examine them, and if he finds that they conform to the requirements of this act, shall so certify and endorse his approval thereon. Thereupon the articles of amendment shall be filed in the office of the secretary of the commonwealth, and no such amendment shall take effect until such articles of amendment shall have been filed as aforesaid.

Prior to or within sixty days after the effective date of any legislative amendment to this charter, the approval of such amendment shall be voted on by the members of the corporation at a meeting duly called for the purpose. If such amendment is not approved by the affirmative vote of two thirds of the votes to which the members shall be entitled, any member voting against the approval of such amendment shall have the right to withdraw from membership as provided in section seven. Within thirty days after any meeting

at which a legislative amendment has been voted on, a certificate signed and sworn to by the clerk or other recording officer of the corporation, setting forth the action taken at such meeting with respect to such amendment, shall be filed in the office of the secretary of the commonwealth.

SECTION 10. The business and affairs of the corporation shall be managed and conducted by a board of directors, a president, a treasurer, a clerk, and such other officers and such agents as the corporation by its by-laws shall authorize. The board of directors shall consist of such number, not less than fifteen or more than fifty, as shall be determined in the first instance by the incorporators and thereafter annually by the members of the corporation. The by-laws may provide for the classification of directors and for the classification of members entitled to vote therefor; provided, that each member shall be entitled to vote for the directors of at least one class. The board of directors may exercise all the powers of the corporation except such as are conferred by law or by the by-laws of the corporation upon the members, and shall choose and appoint all the agents and officers of the corporation and fill all vacancies except vacancies in the office of director, which shall be filled as hereinafter provided. The board of directors shall be elected in the first instance by the incorporators and thereafter at each annual meeting by the members of the corporation, or, if no annual meeting shall be held in any year at the time fixed by the by-laws, at a special meeting held in lieu of the annual meeting. The directors shall hold office until the next annual meeting of the corporation or special meeting held in lieu of the annual meeting after the election and until their successors are elected and qualified, unless sooner removed in accordance with the provisions of the by-laws. Any vacancy in the office of a director shall be filled by the directors.

Directors and officers shall not be responsible for losses of the corporation or liable for the payment of any sum of money or for damages or otherwise on account of any contract or obligation of the corporation except in case of the wilful misconduct of such directors and officers.

SECTION 11. The corporation shall not deposit any of its funds in any banking institution unless such institution has been designated as a depository by a vote of a majority of the directors present at an authorized meeting of the board of directors, exclusive of any director who is an officer or director of the depository so designated. The corporation shall not receive money on deposit.

SECTION 12. The corporation shall make an annual report of its condition to its members and shall file a copy thereof in the office of the secretary of the commonwealth.

SECTION 13. The first meeting of the corporation shall be called by a notice signed by three or more of the incorporators, stating the time, place and purpose of the meeting, a copy of which notice shall be mailed, or delivered, to each incorporator at least five days before the day ap-

pointed for the meeting. Said first meeting may be held without such notice upon agreement in writing to that effect signed by all the incorporators. There shall be recorded in the minutes of the meeting a copy of said notice or of such unanimous agreement of the incorporators.

At such first meeting, the incorporators shall organize by the choice, by ballot, of a temporary clerk, by the adoption of by-laws, by the election by ballot of directors, and by action upon such other matters within the powers of the corporation as the incorporators may see fit. The temporary clerk shall be sworn and shall make and attest a record of the proceedings. Ten of the incorporators shall be a quorum for the transaction of business.

Whenever the certificate required by section thirteen of chapter one hundred and fifty-five of the General Laws has been filed in the office of the secretary of the commonwealth, said secretary shall issue and deliver to the incorporators a certified copy of this act under the seal of the commonwealth, and said corporation shall then be authorized to commence business.

SECTION 14. The corporation shall not be subject to any of the provisions of chapter sixty-three of the General Laws, nor to any taxes based upon or measured by income which may be hereafter enacted whether by the commonwealth or any subdivision thereof; and the securities and evidences of indebtedness issued by the corporation established under the provisions of this act, their transfer, and income therefrom, and deposits of financial institutions invested therein, shall at all times be free from taxation within the commonwealth.

Any holder of any securities or evidences of indebtedness who realizes a loss from the sale, redemption or other disposition of any securities or evidences of indebtedness of the corporation, including any such loss realized on a partial or complete liquidation of the corporation, and who is not entitled to deduct such loss in computing any of such holder's taxes to the commonwealth, shall be entitled to credit against any taxes subsequently becoming due to the commonwealth from such holder, a percentage of such loss equivalent to the highest rate of tax assessed for the year in which the loss occurs upon mercantile and business corporations, as referred to in section two of chapter sixty-three of the General Laws.

SECTION 15. The provisions of chapter one hundred and ten A of the General Laws shall not apply to the bonds, debentures, notes, evidences of indebtedness, or any other securities, of this corporation.

SECTION 16. The period of duration of the corporation shall be fifty years, subject, however, to the right of the members to dissolve the corporation prior to the expiration of said period as provided in section seventeen.

SECTION 17. The corporation may, upon the affirmative vote of two thirds of the votes to which the members

shall be entitled, petition for its dissolution by order of the supreme judicial or superior court, in the manner provided in section fifty of chapter one hundred and fifty-five of the General Laws. Upon any dissolution of the corporation the corporation's assets shall be distributed as directed by the court which ordered such dissolution.

SECTION 18. If the corporation shall fail to commence business within three years from the effective date of this act, then this act shall become null and void.

SECTION 19. Under no circumstances is the credit of the commonwealth pledged herein.

SECTION 20. Students may receive aid and assistance from the corporation notwithstanding that they are under twenty-one years of age, and for such purpose such minors shall have full legal capacity to act in their own behalf in the matter of contracts and other transactions, and with respect to such acts done by them they shall have all of the rights, powers and privileges and be subject to the obligations of persons of full age.

SECTION 21. The provisions of this act are severable, and if any of its provisions shall be held unconstitutional by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions.

*Approved April 30, 1956.*

*Chap. 299* AN ACT RELATIVE TO THE SALE OF HARMFUL DRUGS.

*Be it enacted, etc., as follows:*

G. L. (Ter. Ed.), 94, § 187A, etc., amended.

SECTION 1. The second paragraph of section 187A of chapter 94 of the General Laws, as appearing in section 3 of chapter 577 of the acts of 1954, is hereby amended by adding at the end the following sentence: — Nothing in this paragraph shall be construed to be in conflict with the provisions of the sixth paragraph of this section.

G. L. (Ter. Ed.), 94, § 187A, etc., further amended.

SECTION 2. The fourth paragraph of said section 187A of said chapter 94, as so appearing, is hereby amended by inserting after the word "any" in line 1 the word: — harmful, — so as to read as follows: —

Dispensing of harmful drugs, regulated.

No person shall dispense any harmful drug upon an oral or written prescription in a container which does not bear a label which gives the name and address of the druggist, the serial number of the prescription, the date of the filling of the prescription, the name of the prescriber, the name of the patient unless a veterinary prescription, the directions for use and cautionary statements if any stated in the prescription.

*Approved April 30, 1956.*