

SENATE No. 195.

Commonwealth of Massachusetts.

SENATE, May 11, 1897.

The joint committee on the Judiciary, to whom was referred the petition of John Haskell Butler for an amendment of chapter 391 of the Acts of the year 1896, so as to exempt the officers, members and stockholders of foreign corporations named therein from certain debts, bonded indebtedness, mortgage debts and torts, and to limit the time for commencing action against them, report the accompanying Bill.

For the Committee,

WILLIAM A. MORSE.

Commonwealth of Massachusetts.

In the Year One Thousand Eight Hundred and Ninety-seven.

AN ACT

Relative to the Liability of Officers and Stockholders
in Foreign Corporations doing Business in this
Commonwealth.

*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 two of chapter three hundred and
2 ninety-one of the acts of the year eighteen
3 hundred and ninety-six is hereby amended by
4 adding after the word "debts" in the eleventh
5 line thereof, the following: *provided, however,* that
6 no such officer, member or stockholder shall be
7 liable hereunder for, and this act shall not apply
8 to any bonded indebtedness or mortgage debt of
9 such corporation; also by striking out the word
10 "nine" in the thirteenth line thereof, so that the
11 same will read as follows:—

1 *Sect. 2.* If the capital stock of any corpora-
2 tion subject to section one of this act has been

3 paid in by a conveyance to the corporation of
4 property, real, or personal, the officers, members
5 or stockholders of such corporation shall be jointly
6 and severally liable for its debts or contracts, if
7 said property is not conveyed and taken at a fair
8 valuation. But only those officers or stockholders
9 who participate in the conveyance or taking of such
10 property at such unfair valuation, or those stock-
11 holders who have purchased or received their
12 shares with knowledge of said fact, shall be liable
13 for debts: *provided, however,* that no such officer,
14 member or stockholder shall be liable hereunder
15 for, and this act shall not apply to, any bonded
16 indebtedness or mortgage debt of such corpora-
17 tion. The extent and manner of enforcing such
18 liability shall be the same as provided in sections
19 sixty to seventy-one, inclusive, of chapter one
20 hundred and six of the Public Statutes in the
21 case of domestic corporations.

