

## HOUSE.....No. 29.

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### Commonwealth of Massachusetts.

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HOUSE OF REPRESENTATIVES, Jan. 26, 1838.

*Ordered*, That the Committee on the Judiciary inquire whether any law is necessary, in order to exempt the holders in trust, or as collateral security, of shares in incorporated companies, from the same liabilities as bona fide stockholders.

L. S. CUSHING, *Clerk*.



## Commonwealth of Massachusetts.

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In the Year One Thousand Eight Hundred and Thirty-Eight.

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### AN ACT

Concerning the Ownership of Shares in 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    SEC. 1. No persons holding stock in any corpora-  
2    tion, as executors, administrators, guardians or trus-  
3    tees, shall be personally subject to any liabilities as  
4    stockholders of such corporation; but the person  
5    pledging such stock shall be considered as holding  
6    the same, and shall be liable as a stockholder accord-  
7    ingly; and the estates and funds in the hands of  
8    such executors, administrators, guardians, and trus-  
9    tees, shall be liable in their hands, in like manner and  
10   to the same extent, as the deceased testator or intes-  
11   tate, or the ward or person interested in such trust  
12   fund would have been if they had respectively been  
13   living and competent to act, and had held the same

14 stock in their own names; *provided always*, that this  
15 act shall not be construed to affect or impair any right  
16 heretofore acquired by any person against a holder of  
17 stock in any corporation by force of the laws of this  
18 Commonwealth, but all existing liabilities of such  
19 stockholders under any preceding act, shall be ad-  
20 judged and determined upon as if this act had not  
21 been passed.

1    SEC. 2. Every such executor, administrator, guar-  
2 dian, and trustee, shall represent the shares or stock  
3 in his hands at all meetings of the corporation, and  
4 may vote as a stockholder; and every person who  
5 shall pledge his stock as aforesaid, may represent the  
6 same at all such meetings and may vote accordingly  
7 as a stockholder.

1    SEC. 3. In all transfers of stock in any corpora-  
2 tion, hereafter made as collateral security, the debt  
3 or duty which such transfer is intended to secure,  
4 shall be substantially described in the deed or instru-  
5 ment of transfer; and any certificate of stock which  
6 shall be issued to any such pledgee or holder of such  
7 collateral security, shall express on the face of it, that  
8 the same is so holden; and the name of the pledger  
9 shall be stated therein.

1    SEC. 4. It shall be the duty of the treasurer or  
2 cashier, or of any other officer who has the lawful  
3 custody of the records of transfers of shares in any  
4 corporation, upon the written request of a creditor of  
5 the general owner of any stock pledged or transferred  
6 as aforesaid, to exhibit to him the record of such  
7 transfer; and in case of refusal and of any loss to  
8 such creditor by reason thereof, such corporation shall  
9 be liable to said creditor for the amount of such loss.