the sections of this act relating to said county, be and the same is hereby repealed.

WILLIAM F. PACKER,
Speaker of the House of Representatives.

GEORGE DARSIE,
Speaker of the Senate.

APPROVED—The fifth day of April, one thousand eight hundred and forty-nine.

WM. F. JOHNSTON.

No. 368.

AN ACT

To encourage manufacturing operations in this commonwealth.

SECTION 1. *Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same,* That at any time hereafter when any five or more persons may desire to form a company under the provisions of this act, for the purpose of carrying on the manufacture of woolen, cotton, flax or silk goods, or of iron, paper, lumber or salt, in this commonwealth, and shall have subscribed as capital stock for that purpose, a sum not less than twenty thousand dollars, in such shares as they may have agreed upon, not less than fifty dollars a share, and actually paid in to such persons as they may have appointed to receive the same, the one-fourth part of the capital stock so subscribed, it shall and may be lawful for them to sign and acknowledge, before some officer competent to take acknowledgment of deeds, a certificate in writing, in which shall be stated the corporate name of said company, and the objects for which it has been formed, the amount of its capital stock subscribed, the amount actually paid in and to whom paid, the number and value of the shares into which said stock has been divided, the residence of the subscribers, and the number of shares subscribed by each, the name of the county in which the chief operations of the company are to be carried on, the term of years for which the association is to continue, and the number and names of the directors who shall manage the affairs of said company until the next annual election; the said certificate shall be recorded in the office for the recording of deeds, in the county in which the business of the company is to be carried on as aforesaid, in a suitable book to be kept for that purpose; and a copy of said certificate, duly certified by the recorder of said county, under his seal of office, shall be filed in the office of the secretary of the commonwealth, and the said secretary upon the receipt of the said certified copy, shall enter thereon and upon the original certificate to be retained by the company, the day and date of the filing of the same, and shall moreover cause a

Object.

Capital stock.

Corporate name.

Certificates of name, object, &c. to be filed in office of secretary of the commonwealth.

true copy of said certificate to be recorded at length in a suitable book to be kept in his office for that purpose.

One per centum upon capital stock, to be paid the commonwealth.

SECTION 2. For every such certificate so filed in the office of the secretary of the commonwealth, the parties filing the same, shall pay to the secretary for the use of the commonwealth, one-half of one per centum upon the capital stock of said company, payable in five annual instalments, the first whereof shall be paid in one year from the time of filing said certificate.

Incorporate.

SECTION 3. When the certificate shall have been recorded and filed as aforesaid, the persons who shall have signed and acknowledged the same, and their successors, shall, for the term agreed upon, not exceeding twenty years from the filing of such certificate in the office of the secretary of the commonwealth as aforesaid, be a body politic and corporate in fact and in law, by the name stated in such certificate, and by that name have succession, and be capable of suing and being sued; and shall by their corporate name be capable in law of purchasing, holding and conveying any real or personal estate whatever, necessary or convenient to enable the said company to carry on the business or operations named in such certificate, not exceeding two thousand acres.

Directors, number and election of.

SECTION 4. The stock, property and affairs of said company shall be managed by not less than five nor more than thirteen directors, a majority of whom in all cases shall be citizens of this state, who shall respectively be stockholders therein, and who shall, except as provided in the first section of this act, be elected at a general meeting of the stockholders, to be held at such time and place annually as shall be directed by the by-laws of the company, of which time and place public notice shall be given for at least two successive weeks next preceding said general meeting and election, in at least two newspapers printed in the county where the operations of the company shall be carried on, if so many are printed therein, and if so many are not printed therein, then in papers having circulation in said county, printed in an adjoining county; and the election shall be made by such of the stockholders as shall attend, either in person or by proxy: All elections shall be by ballot, and each stockholder shall be entitled to as many votes as he owns shares of stock in said company, but no person shall in any case be entitled to more than one-third of the whole number of votes to which the holders of all the shares in the capital stock of such company would be entitled; no stockholder, females excepted, residing within ten miles of the place appointed for such general meeting or election, shall vote by proxy, nor shall any person vote as proxy for more than two absent stockholders; the persons receiving the greatest number of votes at any such election shall be directors, and when any vacancy shall happen among the said directors by death, resignation, removal from the state, or otherwise, it shall be filled for the remainder of the year, in such manner as may be provided by the by-laws.

Election to be by ballot.

Votes.

In case of no election on the day designated, the company not to be dissolved.

SECTION 5. In case it shall happen at any time that an election of directors shall not be made on the day designated by the by-laws, the company for that reason shall not be dissolved, but it shall be lawful on any other day within the next succeeding sixty days to hold an election for directors, in such manner as shall be provided by said by-laws, and all acts of the directors in office at the time of such omission to elect shall be valid and binding upon the company until their successors are elected.

Officers.

SECTION 6. There shall be a president of the company, who shall be designated from the directors of the company, and shall be elected or chosen in such manner as shall be provided by the by-laws, and there shall also be a treasurer and secretary not of the number of directors, who shall in the first instance be appointed by the directors, to serve until the next annual election, at which election, and annually thereafter, they shall be elected by the stockholders, in such manner as shall be provided by the by-laws, and shall hold their offices respectively during the pleasure of the stockholders, but may be removed for cause, to be assigned in writing by the directors and entered on the minutes of their proceedings, and any vacancy in the office of treasurer or secretary shall be filled by the directors until an election shall be had by the stockholders; the persons appointed to receive the amount paid in on the stock subscribed, as provided in the first section of this act, shall pay over the amount so received to the treasurer, or to such other person as the directors may designate, and the said treasurer before he enters upon the duties, shall execute a bond, with such securities as may be deemed proper by the directors, conditioned for the faithful discharge of his duties, and to account for all moneys, books, papers and effects he may receive as such treasurer, which bond shall be renewed annually: *Provided*, That nothing herein contained shall prevent the offices of treasurer and secretary being filled by the same individual, if the company may so desire it.

Capital stock, when paid and how forfeited.

SECTION 7. The capital stock of the said company shall be called in and paid in money at such times and in such proportions or instalments as the directors may require, of which public notice shall be given for at least two successive weeks next preceding the time or times appointed for that purpose, in the newspapers hereinbefore designated; and if any stockholder shall neglect to pay such proportion or instalment, or any part thereof, at the time or times appointed, he, she or they shall be liable to pay in addition to the amount so called for and unpaid, at the rate of one per cent. per month for the delay of such payment; and if the same and the additional penalty, or any part thereof, shall remain unpaid for the period of two months, he, she or they shall, at the discretion of the directors, forfeit to the use of the company all right, title and interest in and to every and all share or shares on account of which such default in payment may have been made, or the directors may at their option cause suit to be brought for the recovery of the amount due, together with the penalty of one per cent. per month as aforesaid; in the event of a forfeiture as aforesaid, the share or shares so forfeited may be disposed of at the discretion of the directors, in such manner as may be prescribed by the by-laws; no stockholder shall be entitled to vote at any election, or at any general or special meeting of the stockholders, on whose share or shares any instalment or arrearages may be due and unpaid for the period of thirty days.

Quorum.

Directors, powers of.

SECTION 8. The directors of such company, a majority of whom shall form a quorum for the transaction of business, shall keep minutes of their votes and proceedings in a suitable book to be kept for that purpose; they shall have power to make such by-laws as they shall deem proper for the management and disposition of the stock and business affairs of the company, subject however to the revision and approval of the stockholders, and not inconsistent with the laws of this commonwealth, and providing for the appointment and prescribing the duties of all officers, agents, factors, artificers, and other persons that may be employed, and for carrying on all kinds of business within the objects and purposes of such company; but it shall not be lawful for any such company to use any part of its capital stock or other funds for any banking purposes whatever, nor in the purchase of any stock in any other corporation, nor shall the company make loans to any stockholder or officer of said company, or to any one, on security of its own stock.

Stock to be deemed personal estate, and shall be transferable.

SECTION 9. The stock of such company shall be deemed personal estate, and shall be transferable in a suitable book to be kept by the company for that purpose, in person or by attorney duly authorized, in presence of the president or treasurer; but no share or shares shall be transferable until all arrears or previous calls thereon shall have been fully paid in, or the said shares shall have been declared forfeited for the non-payment of the calls thereon in the manner hereinbefore provided:

Proviso.

Provided, That no such company shall commence operations until fifty per cent. of the stock subscribed shall be paid: All the stockholders in any company incorporated under the provisions of this act, shall be jointly and severally liable in their individual capacities for all debts and contracts made by such company, to the amount remaining unpaid on the shares of stock by them respectively held, until the whole amount of the capital stock as fixed and limited by the said company as in this act provided, shall have been paid in, and a certificate thereof shall have been made and recorded, as prescribed in the following section.

Certificate stating amount of capital paid in to be recorded.

SECTION 10. The president and directors, with the treasurer and secretary of every company incorporated under the provisions of this act, within thirty days after the payment of the last instalment on the first half of the amount of capital stock as fixed and limited by the company, and of each subsequent instalment, shall make a certificate, stating the amount of the capital so paid in, which certificate shall be signed by said president, treasurer, secretary, and a majority of the directors, and verified by the oath or affirmation of said president and treasurer; and they shall within the said thirty days, cause the said certificate to be recorded in the office for recording deeds in the county where the chief business of the company shall be carried on as aforesaid.

Statement of capital stock to be published.

SECTION 11. Every such company incorporated as aforesaid, shall publish, for two successive weeks in the month of December, annually, in the newspapers before mentioned, a notice or statement showing the amount of its capital stock subscribed, the amount thereof actually paid in, and the amount of its debts, as they severally existed on the last day of November, immediately preceding, which notice or statement shall be signed by the president, treasurer and secretary, under oath or affirmation.

In case of dissolution of company, debts due operatives and laborers to be first paid.

SECTION 12. In case of the dissolution, failure or insolvency of any company, incorporated under the provisions of this act, all debts due or owing to operatives or laborers for services performed for such company for any period, shall first be provided for, and paid out of the effects or assets of said company.

Statement of affairs to be laid before annual meeting of stockholders.

SECTION 13. At each and every annual meeting of the stockholders of any company to be held as hereinbefore provided, the president and directors for the year preceding, shall lay before them a full and complete statement of the affairs of the company for the twelve months immediately preceding, exhibiting under the various appropriate heads, the amount of money received, and from what sources, the amount disbursed, and for what purposes, the amount of the debts of the company, and the balance remaining with the company.

Dividends.

SECTION 14. Dividends of so much of the profits of any such company, as shall appear advisable to the directors, shall be declared in the months of June and December annually, and paid to the stockholders, or their legal representatives, at any time after the expiration of ten days from the time of declaring the same; but the said dividends shall in no case exceed the amount of the net profits actually acquired by the company, so that the capital stock shall never be impaired thereby, and if any dividend shall be declared and paid, which shall impair the capital stock of said company, the directors consenting thereto, shall be jointly and severally liable in their individual capacities, for all the debts of the company then existing, and all that shall thereafter be contracted, so long as they respectively continue in office: *Provided*, That if any director shall be absent at the time of declaring such dividend, or shall object thereto, and shall within the ten days above named, file a certificate of his absence or objection, in writing, with the treasurer of the company, and cause a copy thereof to be recorded in the office for recording of deeds, in the county in which the operations of the company are carried on as aforesaid, he shall be exempt from said liability, except as stockholder. Proviso.

SECTION 15. That within thirty days after the declaration of any dividend, by any company incorporated under the provisions of this act, the amount of state tax to which the stock of such company may be liable, shall be paid into the state treasury, and a statement under oath or affirmation of the president or treasurer of such dividend, shall be communicated to the auditor general. When state tax to be paid into state treasury.

SECTION 16. The copy of any certificate of incorporation recorded and filed in pursuance of this act, duly certified by the recorder of the proper county, to be a true copy of such certificate, shall be received in all courts and places as evidence of the incorporation of such company, if the said certificate shall conform to the provisions of this act. Copy of certificate of incorporation to be received as evidence.

SECTION 17. Persons holding stock in any such company as executors, administrators, guardians or trustees, shall not be personally subject to any liability as stockholders of such company, and the estates and funds in the hands of such executors, administrators, guardians and trustees, shall be liable in their hands in like manner, and to the same extent as the testator or intestate, or the ward or person interested in such trust fund would have been, if they had respectively been living and competent to act, and held the same stock in their own names: *Provided*, That nothing herein contained shall be construed as authorizing investment by trustees, executors or guardians in such stock. Executors, administrators, guardians or trustees not personally subject to liability as stockholders. Proviso.

SECTION 18. Every such executor, administrator, guardian or trustee, may represent the shares of stock in his hands, at all meetings and elections of the company, and may vote accordingly as a stockholder. May represent shares of stock at meeting, &c.

SECTION 19. Whenever any company embraced in the provisions of this act, shall desire to call a meeting of the stockholders for the purpose or increasing or diminishing the amount of the capital stock, or for extending its business, it shall be the duty of the directors to publish a notice signed by at least a majority of them, in the newspapers hereinbefore mentioned, at least three successive weeks, and to deposit a written or printed copy thereof in the post office, addressed to each stockholder at his usual place of residence, at least two weeks previous to the day designated for holding such meeting, which notice shall specify the object of meeting, the time and place when and where such meeting shall be held, the amount to which it is desired to increase or diminish the capital, and the business to which it is proposed to extend the operations of the company. Meetings of stockholders for increasing or diminishing amount of capital stock.

SECTION 20. If at the time and place specified in the notice provided for in the preceding section, stockholders shall appear in person or by proxy, representing not less than two-thirds of all the shares of the stock of the corporation, they shall organize by choosing one of the directors, if present, and if not, then one of the stockholders, as chairman of the meeting, and some suitable person as secretary, and the chairman shall appoint two of the stockholders present to act as tellers, when they shall proceed to a vote of those present in person or by proxy, as provided in the fourth section of this act; and if on canvassing the votes given it shall appear that the holders of two-thirds of all the Organization of such meeting.

shares composing said capital have voted in favor of increasing or diminishing the amount of the capital stock, or of extending its business, as the case may be, then and not otherwise, a certificate of the proceedings shall be made out, showing a compliance with the provisions of this act, the amount of capital actually paid in, the business to which it is extended, the whole amount of the debts and liabilities of the company, and the amount to which the capital shall be increased or diminished, which certificate shall be signed by the said chairman, secretary and tellers, and verified by their respective oaths or affirmations; the said certificate when so signed and verified, shall be recorded, and a certified copy thereof filed in the office of the secretary of the commonwealth, as provided in the first section of this act, and when so recorded and filed, the capital stock of such corporation shall be increased or diminished to the amount specified in such certificate, and the business extended according to the vote of the stockholders as aforesaid.

May have and hold real estate.

SECTION 21. Every such company so increasing or diminishing its capital stock as aforesaid, shall have power to receive and hold such real estate as may be necessary or convenient for the objects and purposes of the corporation, and no more.

Total amount of liabilities not to exceed three times the amount of capital paid in.

SECTION 22. The total amount of the debts and liabilities of any such company shall never exceed three times the amount of its capital actually paid in; and if any debts or liabilities shall be contracted exceeding said amount, the directors and officers contracting the same or assenting thereto, shall be jointly and severally liable in their individual capacities for the whole amount of such excess.

In case of suits plaintiff may include as defendants one or more of stockholders.

SECTION 23. In any action brought to enforce any liability under the provisions of this act, the plaintiff may include as defendants any one or more of the stockholders of such company claimed to be liable therefor, and if judgment be given in favor of the plaintiff for his claim, or any part thereof, and any one or more of the stockholders so made defendants shall be found to be liable, judgment shall be given against him or them; the execution upon such judgment shall be first levied on the property of such company, if to be found in the county where the chief business of the company is carried on, and in case such property sufficient to satisfy the same cannot be found in said county, the deficiency, or so much thereof as the stockholder or stockholders, defendants in such judgment, shall be liable to pay, shall be collected of the property of such stockholder or stockholders; on the payment of any judgment as aforesaid, or any part thereof, by one or more stockholders, the stockholder or stockholders so paying the same shall be entitled to have such judgment, or so much thereof as may have been paid by him or them, assigned by him or them for his or their benefit, with power to enforce the same in manner aforesaid, first against the company; and in case the amount so paid by him or them shall not be collected of the property of the company, then rateably against the other stockholders, if any such there be, originally liable for the claim on which such judgment was obtained; but no stockholder shall be personally liable for the payment of any debt contracted by any such company, unless suit for the collection of the same shall be brought against such company within six years after such debt shall have become due.

Books to be kept containing the names of stockholders, &c.

SECTION 24. It shall be the duty of the directors of every such company, to cause a book to be kept by the treasurer or secretary thereof, at the office or principal place of business of the company, which shall contain the names of all persons, alphabetically arranged, who are or who shall within one year have been stockholders of such company, showing their places of residence, the number of shares of the stock held by them respectively, and the time when they respectively became the owners thereof, and the amount paid on such shares, and the total amount of the capital stock paid in; which book shall at the end of the year be carefully preserved in the office of the company for future reference, and shall during the usual business hours of the day, on every business day, be open for the inspection of all persons who may desire to inspect the same, and any and every person shall have the right to make extracts from such book; and no transfer of stock shall be valid for any purpose whatever, except to render the person to whom it is transferred, liable for the debts of the company, according to the provisions of this act, until it shall have been entered therein as required by this section, by an entry showing by and to whom the same has been transferred; such book shall be prima facie evidence of the facts therein stated, in favor of the plaintiff, in any suit or proceeding against such company, or against any one or more stockholders; and if any such company shall neglect or refuse to keep such book, or to make or cause to be made any proper entry therein, or shall, on application made to any director or officer thereof, neglect or refuse to exhibit the same, or to allow extracts to be taken therefrom, as hereinbefore required, such company shall forfeit and pay to the party aggrieved, fifty dollars for each and every day it shall so neglect or refuse as aforesaid, recoverable by said party as in other cases of claims against such company.

Penalty for refusing to exhibit said book.

Special meetings.

SECTION 25. Special meetings of the stockholders in any such company, shall be held at the request of the president, or at the request of any number of stockholders representing not less than one-fourth of the whole number of shares in the capital stock of such company, giving at least two weeks' public notice in the newspapers hereinbefore mentioned, of the time and place designated for holding the same, and stating specifically the object of such meeting, and the objects stated in such notice and no other, shall be acted upon at such meeting; nor shall any business be transacted at any such special meeting, unless a majority of all the shares in the stock of such company shall be there represented, but the meeting may adjourn from time to time, or until such majority shall be present.

Reservation.

SECTION 26. The legislature reserves the right to amend, alter or repeal this act, in such manner, however, as shall do no injustice to the corporators; but such amendments, alterations or repeal, shall not take away or impair any remedy given against any company, created in pursuance of the provisions of this act, its stockholders or officers, for any liabilities which shall have been previously incurred.

WILLIAM F. PACKER,
Speaker of the House of Representatives.

GEORGE DARSIE,
Speaker of the Senate.

APPROVED—The seventh day of April, one thousand eight hundred and forty-nine.

WM. F. JOHNSTON.