their works, shall be deemed or taken to be usurious for or by reason of such company agreeing to pay a greater interest than at the rate of six per cent. per annum, or giving its bonds or other evidences of debt for a greater sum than the sum actually lent them, but such loans and contracts shall be deemed and taken to be lawful and valid.

A greater interest than six per cent. on loans, authorized.

FINDLEY PATTERSON,
Speaker of the House of Representatives.
WILLIAM P. WILCOX,
Speaker of the Senate.

Approved—The tenth day of April, one thousand eight hundred and forty-five.

FRS. R. SHUNK.

No. 242.

A FURTHER SUPPLEMENT

To the several acts heretofore passed, relating to the Union canal company, of Pennsylvania.

Whereas, The condition of the Union canal company, encumbered by debt, exceeding three times its capital, and having made an assignment of all its property, for the benefit of its creditors, is such, as to put an end to all hope, that this ancient and favored improvement can, under its present organization, be so resuscitated, as to pay even the interest upon its debts, or to be available to the commonwealth, as one branch of her internal communications:

Preamble.

And whereas, The loanholders and stockholders of the company have agreed, by very general consent, to an accommodation, which it is believed, will re-establish the affairs of the company, and restore the usefulness of the canal, and have prayed legislative aid to carry out their views; now, therefore,

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 a new stock shall be created, by a combination of the interests of the existing stockholders and loanholders in the following manner, that is to say:—The nominal or par value of each share of stock shall continue to be as heretofore, two hundred dollars; and for every ten shares of the stock now existing, the holders shall be entitled to receive one share of the new stock; and for every two hundred dollars due to the loanholders, (including interest to be computed on every sum due to them, from the period when each sum becomes due,) the sixteenth April, eighteen hundred and forty-five, the loanholders shall receive one share of such new stock, which stock thus created, shall constitute the present capital stock of the said company.

New stock authorized.

Section 2. It shall be the duty of the board of directors of the said Union canal company, as soon after the passage of this act as may be, to open books, and receive subscriptions of such loanholders and

Subscriptions.

stockholders, as may assent to the provisions of the same; which books shall be kept open for the space of thirty days, and at the expiration of that time, the said directors shall call a meeting, whereof ten days public notice shall be given of such loanholders and stockholders, as shall, in writing, have signified their assent as aforesaid; which meeting shall by a majority of votes, to be taken and counted as declared and provided for in the fourth section hereof, determine to carry out the provisions of this act, or to decline the same; and if said meeting shall resolve to decline the same, then the said loanholders and stockholders shall continue to enjoy respectively, all the rights which they now hold or are entitled to; but if the said meeting shall resolve to carry out the provisions of this act, then the said directors shall, forthwith, proceed to call in and receive the surrender of all existing certificates of shares of stock, and of all existing certificates of loan, and of all existing certificates heretofore granted for interest due on loans of such assenting loanholders and stockholders, and to issue new shares of stock to the holders thereof, agreeably to the requisitions of the preceding section: and if any holder shall not possess sufficient stock or sufficient loan, to entitle him to a certificate for one or more shares of stock, the certificate to be issued to such holder shall designate, and be for such fractional part of a share, or such number of shares and fractional part of one share, as may fully express the real amount of their interest in the said new stock.

Certificates of stock.

Surrender certificates of stock and loan, and issue of new ones.

SECTION 3. If any stockholder or loanholder, who shall have assented in writing to the provisions of this act, contained in the preceding sections, residing in the United States, shall neglect or refuse to surrender his certificates of stock, or his certificates of loan, within thirty days after the meeting provided for in the preceding section, or any stockholder or loanholder residing out of the United States, shall neglect or refuse to surrender his certificate of stock, or his certificate of loan, within sixty days after the time aforesaid, it shall be the duty of the directors to prepare and execute the proper certificates of stock for such person or persons, in their names, or the names of their agents or representatives, as the said directors may be able to ascertain the same, and to file such certificates among the archives of the company, to be delivered to the proper owners, whenever the old certificates shall be surrendered: and from the time when such certificates shall be executed and filed, the endorsement of which, on such certificates, shall be evidence of the fact, the said stockholders or loanholders so neglecting, shall forfeit all right, whatsoever, as stockholders or loanholders under his old certificate.

Votes.

SECTION 4. Every stockholder under this act shall be entitled, at all meetings of the stockholders, and at all elections to be held by the stockholders, to one vote for each and every full share of stock he may hold.

New shares.

SECTION 5. The said Union canal company, after it shall thus be reorganized, shall have power to increase its capital by issuing new shares to any extent, which may be authorized by a meeting of the stockholders, called according to the charter; and it shall also have power to borrow such sums as may, by the directors, be deemed necessary to enlarge and perfect the works, and to secure the lenders by a mortgage upon the property and franchises of the corporation, in such manner that in case of a sale under such mortgage, the said franchises may pass to the purchasers, as fully as they are now held by the company, or shall be under this act.

Loanholders under mortgage.

SECTION 6. That such loanholders as shall assent to the provisions of this act, shall, notwithstanding the surrender of their certificates of loan and acceptance of certificates of stock, continue to be entitled to all the benefit and advantage, and to claim payment of their interest and principal, under the mortgage or assignment executed by said Union canal company, dated the first day of September, eighteen hundred and forty-one, and recorded in the county of Philadelphia, in mortgage book G S, number fifteen, page forty-seven, as well as in other counties of the commonwealth, as fully as they now are, or as the non-assenting loanholders are or may be, until all the loanholders shall have assented to this act; upon which assent, and that of the company being had and obtained, and upon payment of the debts secured by the said mortgage or assignment, it shall be lawful for the supreme court, upon petition of said company setting forth the facts, and upon such public as they may deem necessary, to order said mortgage or assignment to be vacated, the property and effects therein mentioned to be reconveyed to the said company, and satisfaction to be entered on the record of the same, in the several counties in which it is recorded by the respective recorders of deeds of the same: *Provided however*, That if any loanholder shall receive, under the provisions of this section, any part of the principal due on his said loan, the same shall be endorsed on his certificates of stock, and operate as a reduction and extinguishment pro tanto of the nominal value of such certificates. Proviso.

SECTION 7. That all persons holding either stock or loan of the said company in any fiduciary capacity, shall be, by all the courts of this commonwealth, held to be fully justified by this act, in surrendering the stock or loan held by them, and taking new certificates as hereinbefore provided for; and if the cestui que trust shall at any time seek to hold such trustees to any accountability for so doing, such trustees may give this act in evidence as a bar to such attempt: *Provided*, That this act shall not go into effect until its provisions shall have been accepted, at a meeting of the company regularly called, according to its charter. Stock held in trust.

FINDLEY PATTERSON,
Speaker of the House of Representatives.
WILLIAM P. WILCOX,
Speaker of the Senate.

APPROVED—The eleventh day of April, one thousand eight hundred and forty-five.

FRS. R. SHUNK.