

No. 102.

AN ACT

For the relief of the creditors of the Philadelphia, Germantown and Norristown railroad company.

Preamble.

WHEREAS, The Philadelphia, Germantown and Norristown railroad company has become greatly embarrassed, by numerous unsettled claims and complicated legal questions, arising from improvident expenditures, and from the misconduct of its former officers, which cannot be determined for many years to come :

And whereas, The loanholders, stockholders and creditors of said company, have, by very general consent, agreed to the terms of a proposed compromise and consolidation of their respective debts and claims, by which the same, which have various rights and priority, amounting, exclusive of interest, to about eight hundred and forty-four thousand dollars, are to be consolidated into one class of debts, and reduced to an amount not exceeding three hundred thousand dollars; therefore,

Stockholders and loanholders may reduce and consolidate their claims.

Conditions.

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 it shall be lawful for the said stockholders, loanholders, and other persons having claims against the said Philadelphia, Germantown and Norristown railroad company, to make and agree upon a reduction and consolidation of their said respective debts and claims, upon the following terms and conditions, viz: That all holders of authorized certificates of the first loan, shall submit to a reduction of thirty-five per cent. of their respective certificates of loan; that holders of authorized certificates of second loan, and first class of notes and accounts, shall submit to a reduction of seventy-five per cent. of the amount of their respective certificates of loan, notes and accounts; that the holders of authorized certificates of the third loan, and of unauthorized outstanding certificates of all loans, and all other creditors, shall submit to a reduction of eighty per cent. of the amount of their respective certificates and debts; and that in consideration of the said reduction, all the said creditors shall also receive one share of stock of the said company, for each one hundred and twenty-five dollars of the amount of the new certificates of consolidated and reduced loan as aforesaid, to be issued under this act; and if any holder of loan or debt, shall hold a fractional part of the sum of one hundred and twenty-five dollars, he shall receive in lieu of his share of stock a pro rata addition to his certificate of consolidated loan, estimating each share of stock at eight dollars.

When new certificates of debt shall be issued.

SECTION 2. That whenever the holders of three-fourths in amount of the various claims against said company, exclusive of stock, shall agree to consolidate and reduce their debts and claims, according to section one of this act, then it shall be lawful for said company to issue to the holders of such consolidated claims, certificates or other evidences of debt, in lieu of the certificates or other evidences of debt now held by them, which certificates shall state that they are issued under this act, and shall be redeemable in one thousand eight hundred and sixty-five, and bear an interest of six per cent., payable on the first Monday

of January and July; and such new certificates shall give to the holders thereof the rights of voting at any election of said company, or at any meeting of the stockholders of the said company; and shall also render the holders of said certificates eligible to election, as officers of said company; each fifty dollars of said consolidated loan, shall be considered to be equivalent to one share of stock for the purpose of voting as aforesaid, subject to the same rates and provisions as specified for the vote of stockholders, by the fourth section of the act, passed seventeenth day of February, one thousand eight hundred and thirty-one, incorporating said company; and the second section of the act, passed the eighth day of February, eighteen hundred and thirty-four, entitled "An Act supplementary to an act to incorporate the Philadelphia, Germantown and Norristown railroad company," be and same is hereby re-enacted.

SECTION 3. That the certificates of loan as aforesaid, to be issued under this act, shall be all upon the same footing, and of equal validity; and the mortgages and deeds of trust given by the company, to secure the loans of sixteenth May, one thousand eight hundred and thirty-three, and first of July, one thousand eight hundred and thirty-six, and first of November, one thousand eight hundred and thirty-six, shall in nowise, nor to any extent, be invalidated by such consolidation, but shall remain in full force and effect; and the security afforded by the said three mortgages shall be considered as united to protect and secure the consolidated loanholders, for which purpose, when the consent of the holders of three-fourths in amount of the claims aforesaid, against the company, shall be procured, as hereinafter directed, it shall be lawful for the supreme court of Pennsylvania, upon petition of the company setting forth the facts, and upon such public notice as they may deem necessary, to order or direct the trustee or trustees, for the time being, of the loans under the mortgages aforesaid, to assign the said mortgages to a trustee or trustees of the consolidated loans, for the benefit of said consolidated loanholders, saving the rights of the non-assenting holders of loan or claim, if any there be, said trustee or trustees to be appointed by said court; and said assignment shall pass the possession of the estate of said company, real, personal and mixed, the tolls, income and profits, and so forth, to the new trustee, as fully as the same is now in the present trustee.

Effects of such certificates.

When mortgages may be assigned to new trustees.

SECTION 4. That after the appointment of said trustee or trustees, and the assignment to him of the mortgages aforesaid, the said company shall, at their option, at any time upon twenty days' notice to the said trustee, re-enter into and be re-possest of all their real and personal estate, tolls, income, et cetera, as fully as if the said former trustee or trustees had never entered into possession thereof, under the provisions of said mortgages: *Provided however,* That nothing herein contained shall alter or affect the lien or priority of said mortgages.

Company may be re-possest of their property.

Proviso.

SECTION 5. That any holder of loans or claims against said company, who shall assent to the provisions of this act, shall, as against the non-assenting holders of loans or claims, notwithstanding the surrender of their certificates of loan or other evidences of debt, and the acceptance of certificates of consolidated loan of less amount in lieu thereof, continue to be entitled to all the benefit and advantage, and legal rights that now belong to them, as fully as if such exchange of certificates or evidences of debt had not been made, and as fully as the non-assenting holders of loan or other claim are or may be, until all the holders of loan and claims as aforesaid shall have assented to this act; and no such non-assenting holder of loan or claim shall by any means be benefited, or the position of his claim be improved, by such agreement of those

Protection to loanholders.

assenting to the provisions of this act; but in any judgment, order or decree of any court, made or given in favor of such non-assenting person, the proportion that his claim would have borne to the whole, and the position it would have occupied if none had assented thereto, shall be assigned to such non-assenting person; and in case of suit by any of the non-assenting loanholders or claimants, the railroad company are hereby authorized to appear in court, in behalf of all or any such assenting persons, and in their place, and as their agents, to urge the claims of such assenting persons, as fully as they in person could or might do if no such assent had been given.

Company may
issue new stock.

SECTION 6. And the said railroad company shall have the right to issue new stock, and sell the same in market at the market rates, or give said new stock so issued, to creditors of the company, at rates to be agreed upon between the parties in payment of claims against the company; and also to use the said new stock to redeem and take up the certificates of stock alleged to have been issued without authority, at the rate of one new share for four shares of such unauthorized certificates surrendered: *Provided*, Such new stock shall not be issued to an amount greater than now authorized by law, viz: sixteen thousand shares.

Proviso.

Interest.

SECTION 7. And the said company shall be authorized to pay to the holders of certificates of consolidated loan, their interest, as the same falls due, from the tolls and receipts of the said railroad, and to set aside the proper proportion of the interest to which the non-assenting loanholders and other creditors would have been entitled, if they had assented to the provisions of this act. The said sum so set aside shall be paid over to the new trustee, appointed as aforesaid, to be by him applied to the payment of the interest due to such loanholders or other creditors, as may thereafter signify, in writing, their assent to the provisions of this act, or to the said non-assenting creditors, whenever their respective rights thereto shall be determined by any competent tribunal.

When interest of
non-assenting
loanholders may
be applied.

Powers of trustees.

SECTION 8. That the new trustee appointed by the court, as aforesaid, shall have all the powers and authorities as respects the entry into and taking possession of the real and personal property of the company, and to do other acts to secure the said consolidated loan, given by the said mortgages to the trustees therein named; and in case of any default in the payment of the principal of said consolidated loan, when the same falls due, to sell and dispose by public sale, all the estate, rights, privileges, franchises and other corporate powers of said company, of every kind whatever, to the highest and best bidder; and to pay over the proceeds of such sale to the holders of such consolidated loan, to the amount of their several certificates of such loan, and to pay the remainder, if any, as shall be directed by the proper tribunal, whenever he shall be thereunto requested by three fourths in amount of the holders of said consolidated loan. And such sale and conveyance thereof, by the said trustee or trustees, shall vest all the corporate rights, privileges, estate and property of the said company in the purchasers thereof: *Provided*, That such sale and distribution shall be made in accordance with the provisions of the fifth section of this act.

Power to sell.

Fiduciary holders
justified.

SECTION 9. And all persons holding loans or stock of this company, or any claims against the same, in any fiduciary capacity, shall be, by all the courts of this commonwealth, held to be fully justified by this act, in consenting to such compromise or consolidation, and in giving up their present certificates of loan or stock, or evidences of indebtedness, and accepting new certificates of consolidated loan or new stock, 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.

SECTION 10. If any holder of loan, or stock, or claim, who shall have assented, in writing, to the provisions of this act, shall neglect or refuse to surrender his certificates of loan or stock, or other evidences of debt, within sixty days after the order of the court to the present trustee, to assign the mortgages, as provided in the third section of this act, it shall be the duty of the managers to prepare and execute the proper certificates of consolidated loan and new stock, for such person or persons, to be filled up in the names of such holders of stock or loan appearing upon the books of the said company, or the names of the agent, or assignees, or representatives, if those can be ascertained, of the holders thereof, and file the same among the archives of the company, to be delivered to the proper owners, whenever the old certificates or evidences of debt 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 holders of loan or stock, or other claim, so neglecting, shall forfeit all claim or rights whatsoever under their old certificates or claims, except as against the non-assenting creditors as aforesaid.

SECTION 11. And all holders of loan or stock, or other claim against this company, who shall not, on or before the first day of June next, express, in writing, their dissent to the provisions of this act, shall be taken and considered to have assented thereto, as fully as if such assent had been given in writing; and if they do not surrender their certificates or evidences of debt within sixty days after the order of court, to transfer the mortgages, as aforesaid, then it shall be the duty of the managers to pursue the course prescribed in the tenth section of this act, in relation to persons who have assented, but neglected to bring in their certificates or evidences of debt; and the same consequences and advantages shall ensue as are therein prescribed.

SECTION 12. That as soon after the passage of this act as may be, it shall be the duty of the managers of the said railroad company, to call a meeting of the stockholders of said company, giving twenty days' notice of the same in two or more daily papers printed in Philadelphia; said notice to state that this meeting is called to consider upon, and accept or reject an act of the legislature, authorizing a consolidation of the debts due by the said company, at which meeting a certified copy of this act shall be submitted, and the signatures of those stockholders, or their proper attorney, approving the same, and assenting thereto, shall be subscribed thereto, and also the signatures of those disapproving the same, and dissenting therefrom, if any there be; and if three-fourths of the votes of those attending said meeting, shall be given in favor of accepting this act, then the same shall be considered as accepted by the stockholders of the company; and the managers shall then proceed, as soon as may be, to offer to the holders of loan, and other claims against the company, the opportunity of assenting to the same; and for this purpose, they shall submit for subscription a certified copy of this act, to which the signatures of the holders of loan and other claims assenting to the law, shall be signed; and whenever holders, as aforesaid, to not less than three-fourths of the whole indebtedness of the company, excluding stock and interest, shall have approved and signed said law, or neglected to notify their dissent, as provided in section eleventh of this act, then the managers of the company shall certify such fact to the supreme court of Pennsylvania, and proceed as directed in third section of this act: *Provided*, That this act shall be published for three consecutive weeks prior to the first of June next, in one weekly news-

To execute certificates of loan or stock in certain cases.

When holders shall be considered as assenters to this act.

To call a meeting of stockholders to accept or reject this act.

Proviso.

paper published in Philadelphia, and a copy of this act be transmitted, by mail or otherwise, to each of said holders of loan or claim, as far as they can be ascertained: *And provided also*, That all or any dissenting parties, under this act, shall have power to perpetuate proof of such dissent, by the means now allowed by law for perpetuating testimony in other cases.

Rights of non-assenting holders secured.

SECTION 13. That nothing contained in this act shall be so construed as to injure or in any way invalidate the rights of non-assenting loan-holders.

JAMES COOPER,

Speaker of the House of Representatives.

CH. GIBBONS,

Speaker of the Senate.

APPROVED—The seventeenth day of February, one thousand eight hundred and forty-seven.

FRS. R. SHUNK.

No. 103.

AN ACT

To authorize the president, managers and company of the Schuylkill Valley navigation and railroad company, to increase their capital stock.

Increase capital stock.

Proviso.

Proviso.

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 it shall be lawful for the president, managers and company of the Schuylkill Valley navigation and railroad company, to increase their capital stock from time to time, as they may deem expedient: *Provided*, That not more than three thousand shares in the whole of additional stock, shall be created under the provisions of this act: *And provided further*, That no additional stock shall be created under the provisions of this act, unless the said company shall, at an annual, general or other lawful meeting, have authorized the issue thereof; nor shall a certificate for any share of such additional stock be issued, until the sum of fifty dollars for the same shall have been actually paid in to the treasurer of said company, in such instalments as shall have been directed by the president and managers thereof.

JAMES COOPER,

Speaker of the House of Representatives.

CH. GIBBONS,

Speaker of the Senate.

APPROVED—The twenty-fourth day of February, one thousand eight hundred and forty-seven.

FRS. R. SHUNK.