

To be recorded
in recorder of
deeds office.

Fees of secre-
tary of com-
monwealth.

corporation would not be to the best interests of the commonwealth or to the inhabitants thereof. The said original certificate, with all of its endorsements, shall then be recorded in the office for the recording of deeds, in and for the county where the chief operations are to be carried on, and from thenceforth the subscribers thereto, and their associates and successors, shall be a corporation, for the purposes and upon the terms named in the said charter. Certified copies of both the records thereof and of the charters of the corporations named in the first class specified in the foregoing section, shall be competent evidence for all purposes in the courts of this commonwealth. The secretary of the commonwealth shall charge and receive a fee of five dollars upon every paper relating to a corporation filed or recorded in his office.

APPROVED—The 2d day of July, A. D. 1937.

GEORGE H. EARLE

No. 598

AN ACT

To amend the act, approved the twenty-fourth day of March, one thousand eight hundred and sixty-five (Pamphlet Laws, forty-nine), entitled "An act supplementary to an act, regulating railroad companies, approved the nineteenth day of February, Anno Domini one thousand eight hundred and forty-nine," so as to provide for merger as well as consolidation of railroad companies or corporations in certain cases, and modifying limitations, restrictions, and conditions under which such consolidation or merger may be made, the effect thereof, and the rights of dissenting stockholders.

Act of March 24,
1865 (P. L. 49),
amended.

Section 1. Be it enacted, &c., That the act, approved the twenty-fourth day of March, one thousand eight hundred and sixty-five (Pamphlet Laws, forty-nine), entitled "An act supplementary to an act, regulating railroad companies, approved the nineteenth day of February, Anno Domini one thousand eight hundred and forty-nine," is hereby amended to read as follows:

Section 1. Be it enacted, &c., That *subject to the approval of the Interstate Commerce Commission in any case as to which that commission has jurisdiction, and in all other cases subject to the approval of the Public Utility Commission of the Commonwealth of Pennsylvania*, it shall [and may] be lawful for any railroad company, or corporation, organized under the laws of this Commonwealth, or of this Commonwealth and any other state or states, and owning or operating a railroad, either in whole within, or partly within, and partly without, this State, under authority of this and any

Consolidation of
railroad com-
panies author-
ized.

[adjoining] *other state or states*, to [merge and] consolidate its capital stock, franchises and property *with the capital stock, franchises and property* of any other railroad company, or companies, or corporations, organized [and operated] under the laws of this [or any other state] *Commonwealth, or of this Commonwealth and any other state or states, or under the laws of any other state or states, or to merge or be merged into any such other railroad company or corporation*, whenever the two, or more, railroads of the companies, or corporations, so to be consolidated *or merged*, shall, or may, form a continuous line of railroad, with each other, or by means of any intervening railroad: Provided, That railroads terminating on the banks of any river, which are, or may be, connected by ferry, or otherwise, shall be deemed continuous, under this act: And provided further, That nothing, in this act contained, shall be taken to authorize the consolidation *or merger* of any company, or corporation, of this Commonwealth, with [that] *any company or corporation* of any other state, whose laws shall not also authorize the [like] consolidation *or merger, nor to authorize any company or corporation, organized under the laws of this Commonwealth, or of this Commonwealth and any other state or states, to be merged into any other company or corporation that is not so organized.*

Proviso.

Proviso.

Prohibition.

Section 2. [Said] *Such consolidation or merger* shall be made under the conditions, provisions, restrictions, and with the powers, hereafter in this act mentioned and contained, that is to say:

Conditions, etc.,
of consolidation
or merger.

First. The directors of the several corporations, proposing to consolidate *or merge*, may enter into a joint agreement, under the corporate seal of each [company] *corporation*, for the consolidations *or merger* of said [companies and railroads] *corporations*, and prescribing the terms and conditions thereof, the mode of carrying the same into effect, the name of the new corporation *in the case of a consolidation, or of the corporation that is to survive in the case of a merger*, the number and names of the directors and other officers thereof, and, *in case of a consolidation*, who shall be the first directors and officers *of the new corporation*, and their places of residence, [the number of shares of the capital stock, the amount, or par value, of each share] *and either the amount of the authorized capital stock of the new or surviving corporation, and the number and par value of the shares of which it is to consist, or, if the new or surviving corporation is to issue shares without par value or shares of more than one class, the following statements, so far as applicable:*

(a) *The number of shares with nominal or par value, and the number of shares without nominal or par value*

that may be issued by the corporation, and the classes, if any, into which such shares are divided.

(b) The nominal or par value of shares of stock, other than shares which it is stated are to have no nominal or par value.

(c) The amount of capital with which the corporation will begin business.

(d) If there are to be shares of more than one class, the designations, terms, relative rights, privileges, limitations, preferences, and voting powers or prohibitions, restrictions or qualifications of the voting, and other rights and powers of the shares of each class, and the manner of converting [the] into capital stock [of each of said companies into that] of the new or surviving corporation, or of otherwise disposing of the capital stock of each corporation, the capital stock of which is to be so converted or disposed of, and how and when directors and officers shall be chosen, with such other details as they shall deem necessary, to perfect such [new organization and the] consolidation or merger, [of said companies or railroads] including, if desired, provisions prescribing the consideration for which such new or surviving corporation may issue and sell its shares without nominal or par value, or authorizing the board of directors to prescribe such consideration from time to time: Provided, however, That in case of a merger, it shall not be necessary for such joint agreement to contain the provisions above specified with regard to the directors and officers, capital and capital stock of the surviving corporation, unless and then only to the extent that changes in respect to such matters are to be made by such merger agreement.

Second. Said joint agreement shall be submitted to the stockholders of each of the said [companies, or] corporations, at a meeting thereof, called separately, for the purpose of taking the same into consideration. [due] Due notice of the time and place of holding each such meeting, and the object thereof, shall be given, by written or printed notices, addressed to each of the persons, in whose names the capital stock of said [companies] corporations stands on the books thereof, and delivered to such persons, respectively, or sent to them by mail, [when] if their post office address is known to the [company] corporation, at least thirty days before the time of holding such meeting, and also, by a general notice, published at least thirty days before the time of holding such meeting in some newspaper, in the city, town or county, where such [company] corporation has its principal office, or place of business; and at the said meeting of stockholders, the agreement of the said directors shall be considered, and a vote by ballot taken for the adoption or rejection of the same,

each share entitling the holder thereof to one vote, *except as may be otherwise provided in the certificate of incorporation, or articles of consolidation or merger, under which such corporation was formed*; and said ballots [shall] *may* be cast in person or by proxy; and if *the votes of the holders of outstanding shares of stock of such corporation, representing at least two-thirds (or such greater proportion as said certificate of incorporation, or articles of consolidation or merger may require) of the voting power of all the [votes of all the stockholders] stock of such corporation entitled to vote thereon* shall be for the adoption of said agreement, then that fact shall be certified thereon, by the secretary or assistant secretary of the respective [companies] corporations, under the seal thereof; and the agreement so adopted, or a certified copy thereof, shall be filed in the office of the Secretary of the Commonwealth, and shall, [from thence] *thenceforth*, be deemed and taken to be the agreement [and act] of consolidation *or merger* of the said [companies] corporations; and a copy of said agreement [and act] of consolidation *or merger*, duly certified by the Secretary of the Commonwealth, under the seal thereof, shall be evidence of the existence of [said] *the new corporation formed thereby, or of the continued existence of the surviving corporation, as the case may be.*

Section 3. Upon the making and perfecting of the agreement [and act] of consolidation *or merger*, as provided in the preceding section, and *the filing of the same*, or a copy, with the Secretary of the Commonwealth, as aforesaid, the several corporations, parties thereto, shall be deemed and taken to be one corporation, by the name provided in said agreement, [and act] possessing within this Commonwealth, all the rights, privileges and franchises, and subject to all the restrictions, disabilities and duties, of each of such corporations, so consolidated *or merged.*

When to take effect.

Section 4. Upon the consummation of said [act of] consolidation *or merger*, as aforesaid, all and singular, the rights, privileges and franchises, of each of said corporations, parties to the same, and all the property, real, personal and mixed, and all debts, due on whatever account, as well as [of] *all* stock, subscriptions, and other things in action belonging to [each] *any* of such corporations, shall be taken, and deemed to be transferred to, and vested in, *or to remain vested in*, such new *or surviving* corporation, without further act or deed; and all property, all rights of way, and all and every other interests, shall be as effectually the property of the new *or surviving* corporation, as they were *formerly* of the [former] corporations, parties [by] *to* said agreement; and the title to real estate, *acquired*

Powers, privileges, etc.

- either by deed or otherwise, under the laws of this Commonwealth, vested in [either] *any* of such corporations, shall not be deemed to revert, or be in any way impaired, by reason of this act *or anything done by virtue hereof*: Provided, That all rights of creditors, and all liens upon the property of [either] *any* of said corporations, shall be preserved unimpaired, and the respective corporations may be deemed to continue in existence, to preserve the same; and all debts, liabilities and duties of [either] *any* of said [companies] *corporations*, shall thenceforth attach to said new *or surviving* corporation, and be enforced against it, to the same extent, as if said debts, liabilities and duties had been incurred or contracted by it.
- Proviso.
- Offices. Section 5. Such new [company] *or surviving corporation* shall, as soon as convenient, after such consolidation, establish *or continue* such offices as may be desirable, one of which shall be at some point in this Commonwealth, on the line of its road, and may change the same at pleasure, giving public notice thereof, in some newspaper published on the line of said road.
- Suits, relative to. Section 6. Suits may be brought and maintained against such new [company] *or surviving corporation*, in any of the courts of this Commonwealth, for all causes of action, in the same manner as against other railroad [companies] *corporations* therein.
- Taxation. Section 7. That portion of the road, of such [consolidated company] *new or surviving corporation, that is located* in this Commonwealth, and all its real estate and other property *in this Commonwealth*, shall be subject to like taxation, and *be* assessed in the same manner and with like effect as property of other railroad [companies] *corporations* within this Commonwealth.
- Dissenting stockholders may petition courts for damages. Section 8. Any stockholder, of any [company] *corporation* hereby authorized to consolidate with *or be merged into* any other *corporation*, who shall have voted *against the consolidation or merger*, and who shall refuse to convert his stock into the stock of the [consolidated company] *new or surviving corporation*, may, at any time within thirty days after the adoption of the said agreement of consolidation *or merger*, by the stockholders, as in this act provided, apply, by petition, to the court of common pleas of the county, in which the chief office of said [company] *corporation* may be kept, or to a judge of said court, in vacation, if no such court sits within said period, on reasonable notice to said [company] *corporation*, to appoint three disinterested persons to estimate the damage, if any, done to such stockholder, by said proposed consolidation *or merger*, and whose award, or that of a majority of them, when confirmed by the said court, shall be final and conclusive, and the persons so appointed shall also appraise said
- How to be appraised, etc.

stock of such stockholder, at the full market value thereof, without regard to any depreciation, or appreciation, in consequence of the said consolidation or merger, and the said [company] corporation may, at its election, either pay to the said stockholder, the amount of damages so found and awarded, if any, or the value of the stock, so ascertained and determined, and upon the payment of the value of the stock, as aforesaid, the said stockholder shall transfer the stock, so held by him, to said [company] corporation, to be disposed of by the directors of said [company] corporation, or be retained, for the benefit of the remaining stockholders; and in case the value of said stock, as aforesaid, is not so paid within thirty days from the filing of the said award and confirmation, by said court, and notice to said [company] corporation, the damages, so found and confirmed, shall be a judgment against said [company] corporation, and collected as other judgments, in said court, are by law recoverable: *Provided, however, That such award shall not be payable or become a judgment unless and until such consolidation or merger shall have been consummated.*

Recovery.

Proviso.

Section 2. This act shall become effective immediately upon its final enactment.

When effective.

APPROVED—The 2d day of July, A. D. 1937.

GEORGE H. EARLE

No. 599

AN ACT

To amend the act, approved the thirteenth day of May, one thousand eight hundred and eighty-nine (Pamphlet Laws, two hundred five), entitled "An act prescribing the amount of stock and bonds which may be issued by railroad companies heretofore or hereafter consolidated and merged," by making the same applicable to the surviving company in case of a merger and by modifying the limitations, restrictions and conditions affecting the issue of stock and bonds.

Section 1. Be it enacted, &c., That the act, approved the thirteenth day of May, one thousand eight hundred and eighty-nine (Pamphlet Laws, two hundred five), entitled "An act prescribing the amount of stock and bonds which may be issued by railroad companies heretofore or hereafter consolidated and merged," is hereby amended to read as follows:

Act of May 13, 1889 (P. L. 205), amended.

Section 1. Be it enacted, &c., That whenever any [merger and] consolidation or merger of the corporate rights and franchises [between] of two or more railroad companies shall hereafter be made under the laws of this Commonwealth, or of this Commonwealth and any

Amount to be specified in agreement for consolidation or merger.