

tion, shall not take away or impair any remedy given against such corporation, its directors or shareholders, for any liability incurred prior to such dissolution, if suit thereon is brought and service of process had before or within two years after the date of such dissolution. Such suits may be prosecuted against and defended by the corporation in its corporate name.

B. The dissolution of a business corporation shall not take away or impair any property right, tangible or intangible, including any right of action, of such corporation. Should any such property right be discovered after the dissolution of the corporation, the surviving member or members of the board of directors which wound up the affairs of the corporation, or a receiver appointed by the court of common pleas of the county in which the registered office of the corporation was located, shall have authority to enforce such property right and to collect and divide its assets so discovered among the persons entitled thereto and to prosecute suits in the corporate name of the corporation.

Section 2. The act of August 19, 1953 (P. L. 1075), entitled "An act authorizing corporations to grant stock options, pensions and allowances under certain circumstances and validating stock options, pensions and allowances heretofore granted," is repealed in so far as it relates to business corporations.

Repeal.

APPROVED—The 11th day of July, A. D. 1957.

GEORGE M. LEADER

No. 371

AN ACT

Amending the act of February 9, 1901 (P. L. 3), entitled "An act to provide for increasing the capital stock and indebtedness of corporations," changing the prescribed manner of increasing capital stock and indebtedness of corporations.

The General Assembly of the *Commonwealth of Pennsylvania hereby enacts as follows:

Increase of corporate debt.

Section 1. Section 1, act of February 9, 1901 (P. L. 3), entitled "An act to provide for increasing the capital stock and indebtedness of corporations," amended April 22, 1905 (P. L. 280), is amended to read:

Section 1, act of February 9, 1901, P. L. 3, amended April 22, 1905, P. L. 280, further amended.

Section 1. Be it enacted, &c., That the capital stock [or indebtedness, or both,] of any corporation created by general or special law may, with the consent of the persons or bodies corporate holding the larger amount in value of its stock, be increased to such an amount [in

Capital stock or indebtedness of corporations may be increased to amount deemed necessary.

* "Comomnwealth" in original.

the aggregate of each, without regard to the amount of the other,] and regardless of any limitation upon the amount [of either,] prescribed in any general or special law regulating any such corporation, as it shall deem necessary to accomplish and carry on and enlarge the business and purposes of such corporation. Such increase [of either] may be made at once or from time to time, as the majority in interest of the stockholders shall determine, as aforesaid [; and upon the authorizing of any such increase of indebtedness by the stockholders of such corporation, in the manner hereinafter provided, it shall be lawful for such corporation to secure the payment of the principal or interest, or both, of all or any part of such indebtedness, by mortgage, deed of trust, or other pledge or conveyance, by way of security, of all or any part of its real and personal property, rights, privileges, and franchises, and in such manner and upon such terms as its board of directors may determine].

When increase may be made.

Sections 2 and 3 of the act amended.

How increase shall be made.

At regular annual meeting, notice of proposed increase having been published.

Consent of stockholders shall be certified by president and secretary.

Proviso.

Section 2. Sections 2 and 3 of the act are amended to read:

Section 2. That any corporation desirous of increasing its capital stock [or indebtedness, or both,] as authorized by this act, shall by resolution of its board of directors, adopted by a majority of the entire number thereof, declare such purpose, and [thereupon by resolution, similarly adopted, direct that the question of] such proposed increase shall be submitted to the stockholders of such corporation for their consent [; either,

(A). At any prescribed regular annual meeting or adjournment thereof, the notice whereof, stating inter alia that such subject would be considered thereat, shall have been published once a week for sixty days prior to such meeting in at least one newspaper published in the county, city or borough wherein the chief office or place of *business of the corporation is situate. At said meeting the question shall be submitted to the stockholders, and it shall be the duty of the president and secretary of said meeting, by such agencies or methods as to them may seem meet, to ascertain whether the persons and bodies corporate holding the larger amount in value of the stock of said corporation shall have consented to such increase, and upon being so satisfied to certify in duplicate the fact, under oath administered: Provided, That should a stock vote be duly demanded at said meeting, it shall be the duty of the president and secretary, in ascertainment of the fact of the consent, to cause such vote to be taken at the same time and place, by the same persons and in the same manner, as the vote for directors or managers of such corporation shall be taken; or,

* "business" in original.

(B). At a special meeting of the stockholders, notice of the time, place and object of which shall have been published once a week for sixty days prior to said meeting in at least one newspaper published in the county, city or borough wherein such office or place of business is situated. At such meeting thus called, or any adjournment thereof, an election of the stockholders shall be taken for or against such increase, which shall be conducted by three judges, stockholders of such corporation, appointed by the board of directors to hold said election, and if one or more of said judges be absent the judge or judges present shall appoint a judge or judges who shall act in the place of the judge or judges absent; and said judges shall respectively take and subscribe an oath or affirmation before an officer authorized by law to administer the same, well and truly and according to law to conduct such election to the best of their ability; and the said judges shall decide upon the qualifications of voters, and when the election is closed count the number of shares voted for and against such increase, and declare whether the persons and bodies corporate holding the larger amount of the stock of such corporation have consented to such an increase or refused to consent thereto, and shall make out duplicate returns of said election, stating the number of shares of stock that voted for such increase and the number that voted against such increase, and subscribe and deliver the same to one of the chief officers of said company. Each ballot shall have endorsed thereon the number of shares thereby represented, but no share or shares transferred within sixty days shall entitle the holder or holders thereof to vote at such election or meeting; nor shall any proxy be received, or entitle the holder to vote, unless the same shall bear date and have been executed within four months next preceding such election or meeting; and it shall be the duty of such corporation to furnish the judges, at said meeting, with a statement of the amount of its capital stock, with the names of persons or bodies corporate holding the same, and number of shares by each respectively held, which statement shall be signed by one of the chief officers of such corporation, with an affidavit thereto annexed that the same is true and correct to the best of his knowledge and belief.] *at any meeting of stockholders of which notice shall have been given in the manner now or hereafter prescribed by law.*

At a special meeting of stockholders, notice of object, etc., having been published.

Election of the stockholders shall be held.

How election shall be conducted.

Judges shall be sworn.

Judges shall make out duplicate returns.

Ballots shall be endorsed.

Proviso.

Statement of amount of capital stock shall be furnished to judges of election.

Section 3. That it shall be the duty of such corporation, if consent is given to such increase *in capital stock*, to file in the Office of the Secretary of the Commonwealth, within thirty days after such [election, one of the copies of the certificates of the president and secretary of the annual meeting, or one of the copies of the

Shall file in the Office of the Secretary of the Commonwealth copy of certificate of consent.

return of such election at the special meeting hereinbefore provided for, with a copy of the resolution and notice calling the same thereto annexed] *consent, a certificate of the president, a vice president, or the secretary, certifying the action taken by the stockholders in compliance with the preceding sections; and thereafter the increase may be made at such time or times as shall be determined by the directors. Upon the actual increase of the capital stock or indebtedness of such corporation, made pursuant thereto, it shall be the duty of the president or treasurer of such corporation, within thirty days thereafter, to make a return to the Secretary of the Commonwealth, under oath, of the amount of such increase actually made, and concurrently therewith such corporation shall pay to the State Treasurer, for the use of the Commonwealth, such bonus on the actual increase shown by said return as shall then be prescribed by law. In case of neglect or omission to make said return, such corporation shall be subject to a penalty of five thousand dollars, in addition to the bonus, which penalty shall be collected on an account settled by the Auditor General and State Treasurer as accounts for taxes due the Commonwealth are settled and collected; and the Secretary of the Commonwealth shall cause said return to be recorded in a book for that purpose and furnish a copy of the same to the Auditor General.*

President or treasurer shall make return of actual increase within thirty days to Secretary of the Commonwealth.

Shall pay to State Treasurer bonus on increase.

Penalty for neglect or omission.

Secretary of the Commonwealth shall record return, and furnish copy to Auditor General.

Repeal.

The act amended by adding a new section 4.

Increase of indebtedness authorized.

Section 3. Section 4 of the act is repealed.

Section 4. The act is amended by adding, after section 3, a new section to read:

Section 4. The indebtedness of any corporation created by general or special law may be increased to such an amount, and regardless of any limitations upon the amount prescribed in any general or special law regulating any such corporation, and in such manner and upon such terms as a majority of the board of directors shall from time to time deem necessary to accomplish, carry on and enlarge the business and purposes of such corporations; and such increase may be made without the necessity of securing the consent of the stockholders unless otherwise provided by the charter, certificate of incorporation or bylaws of such corporation. Such increase or any part thereof may be secured by mortgage, deed of trust, pledge or conveyance, of all or any part of its real and personal property, leaseholds, rights, privileges and franchises, or any lawful secured transaction in such manner and upon such terms as the board of directors may determine.

APPROVED—The 11th day of July, A. D. 1957.

GEORGE M. LEADER