

rations, Id. § 322. (See constitutional provision, *supra*). Mode of increasing the bonded debt or capital stock is prescribed by statute. By-laws may regulate notices of meetings, voting by proxy, qualifications of officers, penalties, etc. ch. 249, L. 1889.

The following provisions are also applicable to railroads. Transfers of stock not allowed, if calls are due and unpaid, nor if less than twenty per cent. has been paid thereon, nor unless the transfer is approved by the board, Id. § 455. May borrow money on notes or bonds, up to amount of capital stock,<sup>1</sup> and mortgage all their property, or secure the debts by deeds of trust, in which resident or non-resident persons or corporations may be trustees, § 456. Must provide sinking fund to pay bonds, and may provide for their conversion into stock within eight years, § 457.<sup>2</sup> Capital stock must be fixed by a two-thirds vote of stockholders, and certificate filed, § 458. Verified certificate of payment of fixed capital to be filed within thirty days after payment of last installment, § 459. Railroads must begin construction within two years, and must put in operation five miles every year thereafter, or forfeit charter, § 468.<sup>3</sup> Foreign railroads may operate within the state the same as resident companies, Act April 3, 1880, Deering's Civ. C., p. 124.<sup>4</sup> Consolidation authorized upon written consent of three-fourths in value of stockholders, § 473. Free passes, except to specified persons, are prohibited, L. 1877-8, p. 983. A railroad commissioner is given certain police powers, also power to determine controversies between railroads, also to report abuses, L. 1877-8, p. 969.

Banks may be formed under the general incorporating act. Stock books to be kept for inspection of stockholders, depositors and creditors.<sup>5</sup> Notice to be posted for general public, showing names of directors and the value of their shares, § 321.<sup>6</sup> Banks shall publish and record verified semi-annual "statements of banking capital," and "statements of banking assets," Act of April 1, 1876, Deering's Civ. C., 1885, p. 81. A heavy penalty is provided for frauds and misrepresentations by officers of banks, Act March 29, 1878, Deering's Civ. C., p. 82. Transfer of stock by indorsement and delivery is not valid, except between parties, until duly recorded on corporation books, Code, § 324.<sup>7</sup> Married women may hold and sell stock the same as a *feme sole*, Id. § 325.<sup>8</sup> Transfers by non-residents may be refused registry, until affidavit given of transferrer being alive at time of transfer, or bond being given against

<sup>1</sup> See Cook, on Stock and Stockholders and General Corporation Law, chapter xli.

<sup>2</sup> *Id.*, chapter xvii, § 283.

<sup>3</sup> *Id.*, chapter xxxviii.

<sup>4</sup> *Id.*, chapter lxi.

<sup>5</sup> *Id.*, chapter xxx.

<sup>6</sup> *Id.*, chapter xxx.

<sup>7</sup> *Id.*, chapters xxii, xxvii.

<sup>8</sup> *Id.*, chapter xiv.

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