

ing at the time of such payments or created prior to the retirement of the stock acquired from them by reduction of the amount of issued stock of the corporation, in the manner provided by law.

(7) No corporation of this State shall purchase or redeem shares of its own stock for any unlawful purpose whatsoever, or purchase or redeem shares of its own stock when the probable effect of such purchase or redemption would be to prejudice the rights of existing creditors.

(8) Nothing in this section shall be taken or construed as limiting or affecting the liability of stockholders in banking, safe deposit, trust or loan corporations.

See sec. 22.

Uniform Stock Transfer.

An. Code, sec. 38. 1910, ch. 73, sec. 37A (p. 67).

51.¹ Title to a certificate and to the shares represented thereby can be transferred only—

(a) By delivery of the certificate, indorsed either in blank or to a specified person, by the person appearing by the certificate to be the owner of the shares represented thereby; or

(b) By delivery of the certificate and a separate document containing a written assignment of the certificate or a power of attorney to sell, assign or transfer the same or the shares represented thereby, signed by the person appearing by the certificate to be the owner of the shares represented thereby. Such assignment or power of attorney may be either in blank or to a specified person.

The provisions of this section shall be applicable, although the charter or articles of incorporation, or code of regulations, or by-laws of the corporation issuing the certificate and the certificate itself, provide that the shares represented thereby shall be transferable only on the books of the corporation, or shall be registered by a registrar, or transferred by a transfer agent.

Sec. 72, referred to in connection with the contention that the endorsement of certificates of stock where the endorser retains possession of such certificates, transfers the equitable title under this section; where after such endorsement by a man's wife certificates are delivered to her, with the intention and for the purpose of consummating a gift of such stock to her, the endorsements cannot defeat that intention, since whatever interest she had parted with was restored to her, and the endorsements ceased to be operative and could have been cancelled by her. Gift upheld. *Colmary v. Crown Cork & Seal Co.*, 124 Md. 490.

As to the transfer of corporate stock by foreign executors and administrators, see art. 93, secs. 80 and 81.

An Code, sec. 39. 1910, ch. 73, sec. 37B (p. 67).

52. Nothing in sections 51 and 73 shall be construed as enlarging the powers of an infant or other person lacking full legal capacity, or of a trustee, executor or administrator, or other fiduciary, to make a valid indorsement, assignment or power of attorney.

¹ In *Baltimore Brick Co. v. Mali*, 65 Md. 96, the court of appeals held under sec. 71 of Code of 1904 (repealed by act of 1916, ch. 596) that it was only when the transfer was consummated upon the books of a corporation (if that be the requirement) that relation of membership between corporation and old stockholder was destroyed and a new relation created, and that a gift of stock *inter vivos* was not valid unless stock was actually transferred on books of corporation during life of donor.