

An. Code, sec. 74. 1904, sec. 5. 1888, sec. 5. 1868, ch. 471, sec. 5. 1908, ch. 240, sec. 49. 1916, ch. 596, sec. 74.

86. The directors, managers and trustees of every corporation of this State shall keep full and fair accounts of their transactions. The president of every such corporation shall annually prepare a full and true statement of the affairs of the corporation, which shall be submitted at the annual meeting of the stockholders or members and filed within twenty days thereafter at the principal office of the corporation in this State, where it shall, during the usual business hours of every business day, be open for the inspection of every stockholder or member of the corporation.

In a suit against a stockholder for a debt of the corporation, a plea is insufficient which alleges a failure to comply with this section (as it stood prior to act of 1908, ch. 240), and that plaintiff during the time debt was contracted was president of the corporation. *Weber v. Fickey*, 52 Md. 510.

See notes to secs. 84 and 85.

Liability of Officers and Directors.

An. Code, sec. 75. 1904, secs. 75, 76 and 77. 1888, secs. 67, 68 and 69. 1868, ch. 471, secs. 62, 63 and 64. 1898, ch. 228. 1908, ch. 240, sec. 50.

87. First: If the trustees, managers or directors of any such corporation shall declare and pay any dividend when the corporation is insolvent, or any dividend, the payment of which would render it insolvent, or would diminish the amount of the capital stock, they shall be jointly and severally liable to the extent of the dividends so declared and paid for all the debts of the corporation then existing, and also for all that shall thereafter be contracted, while they shall respectively continue in office, even although the whole amount of the capital of said corporation has been paid in. But if any of the trustees, directors or managers of said corporation shall object to declaring such dividend, or to the payment of the same, and shall, at any time before the time fixed for the payment of the same, record a certificate of their objection in writing with the clerk of the court in which the certificate of incorporation is recorded, they shall be exempt from the liability imposed hereby. Second: No loan of money shall be made by any corporation to any stockholder or director therein and if any such loan shall be made, the officer or officers or directors who shall make it or assent thereto shall be jointly and severally liable for all the debts of said corporation to the extent of the loss that may result from such loan; but this paragraph second shall not apply to any building or homestead association, or any corporation whose principal business under its charter is to loan money on real or personal property, or to any corporation receiving and authorized to receive money on deposit or to any life insurance company lending money to any of its policy holders on their policies. Third: In the event of the insolvency of the corporation, the liability of the directors and officers under this section (87) shall be collectible by the receiver or other person winding up its affairs, as an asset of said corporation.

Sec. 77 of the Code of 1904, held to apply to all corporations formed under art. 23, except those expressly exempted by said section. The exemption in said section of "any association for the loan of money on real or personal property," held to refer to corporations whose principal business it was to loan money, and not to corporations incidentally authorized to make loans, such as corporations formed under sec. 153 of art. 23, An. Code 1912—see art. 48A this Code. This section contrasted with said sec. 153. *Fisher v. Parr*, 92 Md. 274.