

A club held to be entitled to increase its membership by virtue of the act of 1868, ch. 471, sec. 48 (sec. 61, Code 1904), analogous in part to sub-division (9) of this section. *Chesapeake Club v. State*, 63 Md. 463 (separate opinion).

An agreement by an inmate to transfer all of his property to a home for the aged, upheld, under the act of 1868, ch. 471, sec. 48 (sec. 61, Code 1904), analogous in part to sub-division (9) of this section. *General German Home v. Hammerbeck*, 64 Md. 604.

Secs. 57 to 63 of the Code of 1904, referred to in deciding that a building association was liable on a note discounted for the purpose of raising money to pay a borrower the amount advanced to him. *Davis v. West Saratoga Building Union*, 32 Md. 294.

Sec. 63 of the Code of 1904 (analogous in part to sub-division (8) of this section), cited but not construed in *Frank v. Morrison*, 55 Md. 406.

Cited but not construed in *Maas v. Maas*, 165 Md. 347.

See notes to sec. 12.

Officers, Directors and By-Laws.

An. Code, 1924, sec. 10. 1912, sec. 8. 1904, secs. 65, 3. 1888, secs. 57, 3. 1868, ch. 471, secs. 52, 3. 1908, ch. 240, sec. 8. 1916, ch. 596, sec. 8. 1920, ch. 545, sec. 8. 1927, ch. 581, sec. 10.

9. The business and property of every corporation subject to the provisions of this article shall be conducted and managed by a board of not less than three directors, managers or trustees. Until the first annual meeting and until their successors are duly chosen and qualified, the board, shall consist of the persons named as such in the charter—subject, however, to the right of increase, decrease and removal granted by this article. Subject to the provisions of Section 13 of this article, the members of succeeding boards shall be elected by the stockholders or members of the corporation at their annual meetings. A majority of the board shall constitute a quorum for the transaction of business, unless the by-laws otherwise provide, but in no case shall less than one-third of the directors or less than two directors constitute a quorum for the transaction of business.¹

Where lessee assigned lease to unorganized corporation, acceptance of the lease by the lessee, who was director named in incorporation certificate present at purported organization meeting, held to be without legal effect as to lessee's liability for rent. *Smith v. Pickford*, 87F (2d) 705. (U. S. Ct. of Appeals, D. C.)

State statute requiring consent of two-thirds of stockholders to dissolution of corporation does not affect right of directors to place corporation in bankruptcy by their own vote alone. *In re Pneumatic Tube Steam Splicer Co.*, 60 Fed. (2nd), 524.

Cited but not construed in *Hagerstown Furniture Co. v. Baker*, 158 Md. 585; *Maas v. Maas*, 165 Md. 347.

Under secs. 65 and 66 of the Code of 1904, held that the stockholders who attended the annual meeting for the election of directors, were entitled to elect, whether they held a majority of the stock or not. No by-law can alter or abridge the terms of the statute law. *Darrin v. Hoff*, 99 Md. 496.

As to the election of directors of railroad companies, see sec. 205.

See notes to sec. 12.

An. Code, 1924, sec. 11. 1912, sec. 8A. 1916, ch. 596, sec. 8A.

10. Every corporation of this State incorporated on or after June 1, 1916, shall have at least one resident agent in charge of its principal office in this State. Such resident agent shall be a citizen of this State, actually residing therein, or a corporation of this State. Any corporation of this

¹ Sec. 4 of Ch. 581 of acts of 1927 is as follows: Nothing in this act shall be taken or construed as affecting the existence of any corporation existing on June 1, 1927, or as impairing the validity of any corporate act done or performed in conformity with the pre-existing law; and nothing in this act shall release any corporation from the payment of any tax or the performance of any obligation to the State or in any county or city therein due or existing on June 1, 1927, or affect or change the remedy for the collection or enforcement of the same; and nothing in this act shall release, affect or impair the rights of any creditor of any corporation, or the obligations or liability of any corporation or of any stockholder, director or officer of any corporation, existing on June 1, 1927, or affect or change the remedy for the collection or enforcement of the same.