of the exercise of such rights or options, given in the manner provided in Section 46, Section 47, Section 48 or Section 49 of this Article, which authorization may specify either the maximum number of shares of each class authorized to be so issued and the minimum price or prices to be received or the terms of the rights or options upon which they depend.

Contract to pay certain salary and to give option to purchase specified number of shares at specified price not invalid under the provisions of statute prohibiting issuance of stock for future services. Contract for future issuance of stock on completion of services to be rendered, held to be valid. McQuillen *v.* Nat. Cash Register Co., 27 F. Supp. 639.

Stockholders could not complain of issuance of stock prior to date when they acquired stock. McQuillen *v.* Natl. Cash Reg. Co., 22 F. Supp. 867.

This section forbids stock to be presently issued for services to be performed after such issue, but does not forbid agreement to issue stock in the future payment for services when performed. Mas Bottle Corp, *v.* Cox, 163 Md. 179.

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

The provisions of art. 23, secs. 61 and 62 of the Code of 1888 would be nugatory if parties could purchase property, convey it to a corporation in exchange for stock of the company and then have the directors (the stockholders and directors being the same persons) pay them the purchase money which they had paid for the property. Purpose of these sections; terms of subscriptions thereunder are to be found in the proceedings of the stockholders and not of the directors. Conowingo Land Co. *v.* McGaw, 124 Md. 654.

When stock was subscribed for while secs. 6, 62 and 65 of art. 23 of the Code of 1888 were still in force, those sections govern. Action by directors (even though they be the same persons as the stockholders) could not be substituted for the required action by the stockholders. Certificates of indebtedness held not to have been legally issued and director's action, *ultra vires*. McGaw *v.* Hoen, 133 Md. 676.

Though services are not completely performed when the stock is issued, the validity of such issue is not affected as between the parties to a contract, such services having been contracted for and the valuation thereof agreed upon. Larkin *v.* Maclellan, 140 Md. 588 (based apparently on this section as it stood prior to the act of 1916, ch. 596).

No attack can be successfully made on the issue of $600,000 of stock in exchange for property worth about $1,400,000; who may object where this section and sec. 53 are not complied with. Object of this section. Rights of creditors under sec. 53, appellant in no better position. Meaning of "actual fraud." Kernan *v.* Carter, 132 Md. 584. (Property conveyed in 1911; case decided 1918.)

Where stock is issued not for services, but as bonus for a loan, the transaction is not within this section. Demurrer to bill praying that stockholders be required to contribute toward the payment of debts, properly overruled, since such stockholders did not pay for their stock either in money, property or service. Meaning of word "service." Laches. Hopper *v.* Brodie, 134 Md. 300 (stock issued prior to act of 1916, ch. 596).

Since the holder of every share of stock participated in the issue of certain stock in exchange for services, no notice of the meeting is necessary. Larkin *v.* Maclellan, 140 Md. 588 (based apparently on this section as it stood prior to the act of 1916, ch. 596); Tompkins *v.* Sperry, 96 Md. 560.

No corporation could make a valid contract to receive property of any kind in payment for any part of its capital stock, in plain violation of the express conditions imposed by sec. 69 of the Code of 1904. Contract held divisible. Miller *v.* Cosmic Cement Co., 109 Md. 14; Baile *v.* Calvert College, 47 Md. 120. *Cf.* Southern Trust Co. *v.* Yeatman, 134 Fed. 810.

If the property is valued at a grossly exaggerated price, it may not constitute payment in full for the stock, so as to protect the holder from liability under sec. 82. Tompkins *v.* Sperry, 96 Md. 560.

A non-compliance by a corporation with secs. 69, 70, 81, and 408 of the Code of 1904 (see this section and secs. 53 and 42), held to form no ground of recovery in an action for misrepresentation and deceit. Robertson *v.* Parks, 76 Md. 133.

Cited in McQuillen *v.* Nat. Cash Register Co. (Judge Coleman, U. S. Dist. Ct. of Md.), Daily Record, May 9, 1939.

Under sec. 69 of the Code of 1904, stock might be paid for in leasehold property or chattels. Weber *v.* Fickey, 52 Md. 518. *Cf.* Basshor *v.* Dressel, 34 Md. 511.

Sec. 69 of the Code of 1904 cited but not construed in Wenstrom, etc., Co. *v.* Purnell, 75 Md. 116.

See notes to sec. 82.

An. Code, 1924, sec. 42. 1920, ch. 545, sec. 35A. 1927, ch. 581, sec. 42. 1939, ch. 664, sec. 42.

46. (1) The board of directors of any corporation of this State may, from time to time, subject to any limitation or restriction contained in the charter or by-laws of such corporation, authorize the issuance of shares of