

Stock and Stockholders.

An. Code, 1924, sec. 74. 1912, sec. 61. 1904, sec. 78. 1888, sec. 70. 1868, ch. 471, sec. 65. 1908, ch. 240, sec. 38. 1916, ch. 596, sec. 61.

79. Unless otherwise payable by the subscription contract, the board of directors of any corporation, having capital stock, may call in and demand from the stockholders the amounts due on their subscriptions at such times and in such payments and installments as the said board of directors shall deem proper; but at least thirty days' written or printed notice of the amount, time and place of payment of such calls shall be given to each stockholder; such notice shall be delivered to each stockholder by leaving the same with him, or at his residence or usual place of business, or by mailing it, postage prepaid, and addressed to him at his address as it appears upon the books of the corporation; provided, however, that any stockholder may by an instrument in writing waive such notice.

The notice (prescribed by sec. 78 of the Code of 1904) is a condition precedent to the right of a corporation to sue subscribers for assessments. One publication of such notice held sufficient. Proof of demand and notice. *Granite Roofing Co. v. Michael*, 54 Md. 67; *Scarlett v. Academy of Music*, 46 Md. 151; *Scarlett v. Academy of Music*, 43 Md. 210; *Hughes v. Antietam Mfg. Co.*, 34 Md. 330.

The notice (prescribed by sec. 78 of the Code of 1904) held not applicable where the by-laws under which the corporation acted provided that the subscribers should pay a weekly installment of one dollar per share. *Morrison v. Dorsey*, 48 Md. 473. Under art. 26, sec. 49, of the Code of 1860, it was held that the call by the directors was only a step in the process of collection, and that the fact that the stock was to be paid for only upon such calls, was not a bar to the enforcement by equity of the stockholder's liability, at the instance of creditors—see sec. 82. *Crawford v. Rohrer*, 59 Md. 605; *Goldstein v. Leitch*, 142 Md. 187.

The notice provided for in this section relates only to calls upon stockholders made by directors. This section has no application to a suit by receivers, entered upon order of court, to recover unpaid subscriptions to stock of an insolvent company. See notes to sec. 82. *Goldstein v. Leitch*, 142 Md. 187.

An. Code, 1924, sec. 75. 1912, sec. 62. 1908, ch. 240, sec. 39.

80. When any stockholder fails to pay any instalment or call upon his stock which may have been properly assessed thereon by the directors, at the time when such payment is due, the directors may collect the amount of such instalments or call or any balance thereof remaining unpaid, from the said stockholder by an action at law, or they shall sell at public sale such part of the shares of such delinquent stockholder as will pay all assessments then due from him with interest and all incidental expenses, and shall transfer the shares so sold to the purchaser, who shall be entitled to a certificate therefor. Notice of the time and place of such sale and of the sum due on each share shall be given by advertisement for three weeks successively; once in each week before the sale, in a newspaper of the county or city where the principal office of said corporation is located in this State, and such notice shall be mailed by the treasurer of the corporation to such delinquent stockholder at his last known postoffice address at least twenty days before such sale. If no bidder can be had to pay the amount due on the stock, and if the amount is not collected by an action at law, brought within the county or city where the principal office of said corporation is located within six months from the date of the bringing of such action at law, the said stock shall be forfeited to the corporation and the amount previously paid in by the delinquent on the stock shall be forfeited to the corporation.

For a case prior to the act of 1868, ch. 471, involving the forfeiture of stock and the liability of the holder, see *Murphy v. Patapsco Ins. Co.*, 6 Md. 99, and note (a).