

mortgage of the property of such corporation, or which has the power to obtain money upon mortgage may, whenever in the judgment of said corporation, it is expedient so to do, in place of issuing such bonds and securing the same by a mortgage of the property of the said corporation, or instead of obtaining money upon mortgage, issue a preferred stock for any amount for which the said corporation may be authorized to issue its bonds, or for any amount for which the said corporation may be authorized to obtain upon mortgage of its property, and may dispose of the said stock by sale, on such terms as it may prescribe, or by permitting the same to be subscribed for, as in the judgment of said corporation may be deemed expedient, and every corporation creating such preferred stock as aforesaid, may execute an agreement under seal, guaranteeing to the purchasers of or subscribers to such preferred stock, a perpetual dividend of six per centum per annum out of the profits of the said corporation, payable yearly or half-yearly, as said corporation shall determine before any dividend is distributed to any of the stockholders of the said corporation, other than the holders of said preferred stock so created, and the holders thereof shall have all the incidents, rights, privileges and immunities and liabilities to which the capital stock of said corporation, or the holders thereof, may be entitled or subject; *provided*, however, that no corporation shall exercise any power under this section, unless the creation of the said preferred stock shall be authorized by a general meeting of the stockholders of said corporation.

Perpetual dividend.

Proviso.

General meeting of stockholders.

In force and approved March 30, 1868.

NOTE.—The above law was prepared by Messrs Gwinn, Maulsby and Carter, Commissioners appointed by the Governor to draft laws for the formation of Corporations and for other purposes under section 48 of Article 3 of the Constitution. In their report to the General Assembly, Jan 14, 1868, they recommend: "That the above sections (except sections 217, 218 and 219, which were afterwards inserted) "shall be enacted as one Article of the Code of Public General Laws, and for this purpose they respectfully recommend that all the sections of Article 26 of the Code of Public General Laws be repealed, and that said article be re-enacted to be composed of the sections one to two hundred and seventeen herewith reported. They also further recommend that section 22 of Article 16 of the Code of Public General Laws, sections 93 to 103, both inclusive of the same Code—(this is presumed to be a typographical error, as sections 99 to 103, inclusive of Article 75, are the sections referred to)—and sections 33 to 43, both inclusive of Article 88 of the same Code, be repealed, as the sections so recommended to be repealed have, in an amended form, been incorporated among the provisions contained in the sections which they report as proper to be enacted to constitute Article 26 of said Code." There is no repealing clause in this act; it is merely entitled an act to repeal sections of the Code, which are, however, inaccurately enumerated. See pp. 33, 22, 19.