

CHAP. 265. on the par value thereof whenever any distribution shall be made of the surplus profits of said company in priority to any shares of stock which shall be subscribed as general or common stock, and in case the surplus profits actually and properly distributed amongst the stockholders, when a division of the surplus profits shall be made, shall exceed the amount that may be necessary for the payment of dividends to the extent aforesaid on the preferred stock, then such excess shall be applied to the payment of dividends to the extent of six per centum on the par value of the unconverted shares of stock, and if any surplus profits should still remain, then the same shall be divided amongst all the stockholders *pari passu*, without any priority or preference, and in case the persons named in the first section of this act should not deem it advisable in receiving subscriptions to said stock, to divide the same into preferred and common stock, as hereinbefore mentioned, then it shall and may be lawful for the president and directors of the said company at any time hereafter to convert a portion of the capital stock of said company into shares of preferred stock, upon such terms and at such time or times as the said president and directors may determine, and the said portion of said capital stock so converted into preferred stock shall thenceforth be entitled to all the privileges in respect of dividends hereinbefore secured to those who may become subscribers to such preferred stock; *Provided, however,* that before the said president and directors shall issue or create any such preferred stock, a previous direction and authority therefor shall be conferred and given by a resolution passed at some general or special meeting of the stockholders of said company, called in pursuance of and after notice given, as directed by the by-laws of said company; *And provided further,* that an opportunity shall be afforded all the stockholders in said company without distinction or discrimination, and they shall be entitled to convert a portion of their stock into such preferred shares upon the same and equal, and like terms and conditions, and in the proportions in which they may hold such stock respectively.

Provisos.

Construction.

In force.

SEC. 8. *And be it enacted,* That nothing herein contained shall be construed to give to the said company banking privileges; and this act shall take effect from the day of its passage.