

No. 65, S.]

[Published July 13, 1907.]

CHAPTER 576.

AN ACT to amend sections 1759a and 1753, and to create sections 1753—1 to section 1753—13, inclusive, of the statutes, relating to the stocks and bonds of corporations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. Section 1759a of the statutes is amended to read as follows:

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SECTION 2. Section 1753 of the statutes is amended to read:

* SECTION 3. There are added to the statutes thirteen new sections to read:

* * * * *

SECTION 4. (Following section 1753—13.)

SECTION 5. This act shall take effect and be in force from and after its passage and publication.

Approved July 13, 1907.

No. 1034, A.]

[Published July 13, 1907.]

CHAPTER 577.

AN ACT to create section 45671 of the statutes, providing a penalty for the violation of any of the fish or game laws, for which there is no specific penalty prescribed.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. There is added to the statutes a new section to read:

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Approved July 11, 1907.

(In effect from and after date of publication.)

lars nor more than one hundred dollars for each offense, *or by imprisonment in the county jail not longer than thirty days.*

2. Any corporation which, by its agents, officers or servants, shall violate or fail to comply with any of the above provisions of this act shall be liable to the above penalties, which may be recovered against such corporations in action for debt or assumpsit brought before any court of competent jurisdiction.

(Ch. 523, 1907.)

Penalties: parents and guardians. SECTION 1728i. Any parent or guardian, who suffers or permits a child to be employed, or suffered or permitted to work, in violation of this act, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not less than five nor more than twenty-five dollars, *or by imprisonment in the county jail not longer than thirty days.*

(Ch. 523, 1907.)

Child's age, proof. SECTION 1728j. When in any proceeding in any court under this section there is any doubt as to the age of any child, a verified baptismal certificate or a duly attested birth certificate shall be produced and filed with the court. In case such certificates cannot be secured, upon proof of such fact, the record of age stated in the first school enrollment of such child shall be admissible as evidence thereof.

(Ch. 523, 1907.)

Commingleing of canned goods. SECTION 1747—98. Nothing in this act shall be construed as prohibiting or preventing warehousemen from mingling in common *piles, rooms or bins, cans, canned goods,* grains or seeds of the same *kind, quality or grade,* and issuing certificates or receipts therefor and drawing out and shipping said *cans, canned goods,* grains or seeds from said *piles, rooms or bins,* provided that a sufficient quantity of such *cans, canned goods,* grain or seeds shall be retained and kept in said *piles, rooms or bins* to represent and satisfy all outstanding receipts or certificates.

(Ch. 154, 1907. Made "Sec. 1747—98" by Sec. 8, Ch. 676, 1907.)

Corporation stocks and bonds: consideration for; fictitious increases void. SECTION 1753. No corporation shall issue any stock or certificate of stock except in consideration of money or of labor or property estimated at its true money value,

actually received by it, equal to the par value thereof, nor any bonds or other evidences of indebtedness except for money or for labor or property estimated at its true money value, actually received by it, equal to seventy-five per cent. of the par value thereof, and all stocks and bonds issued contrary to the provisions of * * * law and all fictitious increase of the capital stock of any corporation shall be void. * * *

(Ch. 576, 1907.)

“Public service corporation” defined. SECTION 1753—1. The term “public service corporation” when used in this act shall mean and embrace every railroad, street railway, telegraph, express, freight line, sleeping car, light, heat, water and power corporation and all other corporations engaged in the business of supplying the public, directly or indirectly, with light, heat, power or water, or in transmitting telegraph messages or in transporting passengers, freight or express.

(Ch. 576, 1907.)

Public service corporations: control of liens vested in state. SECTION 1753—2. The power to create liens on corporate property by public service corporations in this state is a special privilege, the right of supervision, regulation, restriction and control of which shall be vested in the state and such power shall be exercised according to the provisions of these statutes.

(Ch. 576, 1907.)

Issue of stocks, bonds, etc.: permission from railroad commission requisite. SECTION 1753—3. No public service corporation shall hereafter issue any stocks, stock certificates, bonds or any other evidences of indebtedness payable in more than one year from date, until it shall have first obtained authority for such issue from the railroad commission as herein provided. The proceedings for obtaining a certificate of such authority from said commission and the conditions of its being granted by said commission shall be as follows:

Issues for money only: corporation’s statements and commission’s permit. (a) In case the stocks, certificates of stock, bonds or other evidences of indebtedness are to be issued for money only the corporation shall file with the commission a statement, signed and verified by its president and secretary, setting forth (1) the amount and character of the proposed

stocks, certificates of stock, bonds or other evidences of indebtedness, (2) the purposes for which they are to be issued, (3) the terms on which they are to be issued, and (4) the total assets and liabilities of the corporation in such detail as the commission may require. The commission may also require the corporation to furnish any further statements of fact or evidence that it may deem pertinent to the inquiry. The commission shall thereupon issue to the corporation a certificate stating the amount, character, purposes and terms on which such stocks, certificates of stock, bonds, or other evidences of indebtedness are proposed to be issued.

Issues for other than money: corporation's statements; commission's valuations and permit. (b) In case the stocks, certificates of stock, bonds or other evidences of indebtedness are to be issued partly or wholly for property or services or other consideration than money the corporation shall file with the commission a statement, signed and verified by its president and secretary, setting forth (1) the amount and character of the stocks, certificates of stock, bonds, or other evidences of indebtedness proposed to be issued, (2) the purposes for which they are to be issued, (3) the description and estimated value of the property or services for which it is to be issued, (4) the terms on which it is to be issued or exchanged, (5) the amount of money, if any, to be received for the same in addition to such property, services or other consideration, and (6) the total assets and liabilities of the corporation in such detail as the commission may require. The commission may also require the corporation to furnish any further statements of fact or evidence that it may deem pertinent to the inquiry. The commission shall determine according to its best judgment, the true value of the property, services or other consideration for which it is proposed to issue such stocks, certificates of stock, bonds or other evidences of indebtedness. The commission shall thereupon issue a certificate to the said corporation setting forth the amount, character, purposes and terms of such proposed issue on the part of the corporation and further, particularly, the true value of the property or services as found by the commission for which, in whole or in part, such issue is proposed to be made and a description in detail of such property and services. Any issue of stocks, certificates of stock or bonds or any other evidences of indebtedness not payable within one year, which shall be issued by such corporation for and in return for property or services, actually received by it and for which the

same are issued, which shall value such property or services in excess of that found by the commission, shall be void.

(Ch. 576, 1907.)

Corporation to record commission's permit. SECTION 1753—4. No public service corporation shall issue any stocks, certificates of stock, bonds or other evidences of indebtedness for money, property or services, either directly or indirectly, nor shall it receive any money, property, or services in payment of the same, either directly or indirectly, until there shall have been recorded upon the books of such corporation the certificate of the railroad commission herein provided for.

(Ch. 576, 1907.)

Prohibited dividends. [SECTION] 1753—5. No public service corporation shall declare any stock, bond or scrip dividend or divide the proceeds of the sale of any stock, bond or scrip, among its stockholders.

(Ch. 576, 1907.)

Reorganizations and consolidations. SECTION 1753—6. No public service corporation shall issue any stocks, certificates of stock, bonds or other evidences of indebtedness secured on its property in this state for the purpose of any reorganization or consolidation in excess of the total amount of the stocks, certificates of stock, bonds or other evidences of indebtedness then outstanding against the corporations, so reorganizing or consolidating, and no such corporation shall purchase the property of any other public service corporation or any person furnishing service to the public for the purpose of effecting a consolidation except that the property of such corporation or person shall first be valued as provided in subsection b of section 1753—3, and then only at the value found by the commission.

(Ch. 576, 1907.)

Stocks, bonds, etc.: application of proceeds. SECTION 1753—7. No public service corporation shall apply the proceeds of any such stocks, certificates of stock, bonds or other evidences of indebtedness to any other purpose or issue the same on any less favorable terms than that specified in the certificate issued by the railroad commission.

(Ch. 576, 1907.)

Stocks, bonds, etc.: void if contrary to Ch. 576, 1907. [Secs. 1753 to 1753—13 inclusive and sec. 1759a.] SECTION 1753—8. All stocks, certificates of stock, bonds and other evidences of indebtedness issued contrary to the provisions of this act shall be void.

(Ch. 576, 1907.)

Appraisalment of municipal franchises. SECTION 1753—9. In determining the value of the property of a public service corporation or any person furnishing service to the public for the purposes of this act, no franchise or privilege granted to such corporation by a municipality shall be appraised, fixed or considered at any greater sum or value than the sum paid therefor into the public treasury of the municipality granting the same.

(Ch. 576, 1907.)

Railroad commission to enforce Ch. 576, 1907. SECTION 1753—10. The railroad commission shall have the power and it shall be their duty to do and perform any and all acts necessary to carry out the provisions of this act.

(Ch. 576, 1907.)

Corporation's action to set aside valuation. SECTION 1753—11. Any such public service corporation if dissatisfied with any valuation made by the commission, or any order or certificate made or issued by it, may commence an action in the circuit court of Dane county against the commission, as defendant, to vacate and set aside such valuation, order or certificate on the ground that the same is unreasonable or unlawful, in which action the complaint shall be served with the summons. Sections 1797—16 and 1797—17 shall apply to all the rights of the parties to the proceedings in such action.

(Ch. 576, 1907.)

Corporation and agents: penalty for unlawful issues and applications. SECTION 1753—12. Any corporation, whether private or public service as herein defined, or any agent, director, or officer thereof who shall, directly or indirectly, issue or cause to be issued any stocks, certificates of stock, bonds or other evidences of indebtedness contrary to the provisions of this act or who shall apply the proceeds from the sale thereof to any

purposes other than that specified in the certificate of the railroad commission, as herein provided in case of a public service corporation, shall forfeit and pay into the state treasury not less than five hundred dollars nor more than ten thousand dollars for each offense.

(Ch. 576, 1907.)

Corporation officers: penalty for false statements and for violations. SECTION 1753—13. Each and every director, president, secretary or other official of any such public service corporation who shall make any false statement to secure the issue of any bond or other evidence of indebtedness, or who shall by false statement knowingly made, procure of the railroad commission the making of the certificate herein provided, or issue with knowledge of such fraud, negotiate or cause to be negotiated any such bond or other issue in violation of these statutes shall be guilty of a felony and upon conviction thereof shall be punished by a fine of not less than five hundred dollars, or by imprisonment in the state prison for a term of not less than one or more than ten years, or by both such fine and imprisonment in the discretion of the court.

(Ch. 576, 1907.)

Issues voted before Ch 576, 1907, took effect: commission's permit necessary.—Burden of proof. * * * All stocks, certificates of stock, bonds or other evidences of indebtedness issued or delivered by any public service corporation after this act takes effect, upon the authority of any articles of incorporation or amendments thereto or vote of stockholders or directors filed, taken or had previous to the taking effect of this act, shall be void unless the certificate provided for by this act shall have been obtained from the railroad commission prior to such issue, or delivery. The burden of proof shall be upon any party claiming any exemption under this act.

(Sec. 4, Ch. 576, 1907.)

Corporations: preferred stock regulated. SECTION 1759a. *Any corporation may provide for preferred stock in its original articles of organization, or by amendment thereto adopted by the unanimous vote of the stockholders, and may, in such original articles or by such amendment thereto adopted by the unanimous vote of the stockholders, provide for the payment of dividends on such preferred stock out of the profits*

at a specified rate before dividends are paid upon the common stock; for the accumulation of such dividends; for a preference of such preferred stock, not, however, exceeding the par value thereof, over the common stock in the distribution of the corporate assets other than profits; for the redemption of such preferred stock, and for denying or restricting the voting power of such preferred stock. Neither preferred nor common stock shall bear interest. Certificates of preferred stock and common stock shall state, on the face thereof, all privileges accorded to and all restrictions imposed on preferred stock. No change or amendment in relation to such preferred stock shall be made, except by way of amendment to the articles of organization adopted by the unanimous vote of the holders of all the outstanding stock, both preferred and common.

(Ch. 576, 1907.)

Mutual life insurance proxies void. SECTION 1760m. No proxy heretofore made or given by any policyholder, officer, director or trustee of any mutual life insurance corporation organized and existing under the laws of this state shall be exercised or used for voting upon any question whatsoever, and any votes given or attempted to be given by any such proxy shall be absolutely void; anything in the charter, certificate, articles of incorporation, constitution or by-laws of any such corporation to the contrary notwithstanding.

(Ch. 389, 1907.)

Foreign corporations: annual reports; date, computation of Wisconsin stock, fees. (SECTION 1770b.) 7. Every foreign corporation which has heretofore filed with the secretary of state a copy of its charter or articles of association or incorporation or which shall hereafter file the same as required by this act, and every foreign corporation transacting business in this state shall annually, * * * *between the first day of January and the first day of March*, file with the secretary of state a report sworn to by the president, secretary, treasurer or general manager of the corporation, as of the first day of January, which shall state:

a. The name of such corporation and the location of its principal office or place of business without this state, and its place of business or principal office within this state, if maintained.

b. The names and addresses of the officers of said corporation, and the name and address of the agent or manager who may represent said corporation in this state.