

No. 350, S.]

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CHAPTER 264.

AN ACT to create section 190.095 of the statutes, relating to the sale of stock by railroad corporations.

The people of the State of Wisconsin, represented in Senate and Assembly, do enact as follows:

SECTION 1. A new section is added to the statutes to read: 190.095 (1) Any railroad company existing in whole or in part under the laws of this state may, with the consent of the stockholders as hereinafter stated, issue and sell, under such restrictions and terms, and for such consideration as the stockholders shall authorize, any part or all of its unissued stock, or additional stock authorized pursuant to the provisions of this section, to employes of the corporation or any subsidiary corporation, without first offering such stock for subscription to its stockholders. Such consent and authorization may be given at any annual or special meeting of the stockholders by a majority vote of all its stock, upon the same notice to stockholders as is provided in section 190.09. If any stockholder not voting in favor of said issue and sale of stock to employes so desires, he may, at such meeting, or within twenty days thereafter, object thereto by written notice filed with the secretary of the corporation and demand payment for the stock held by him at the time of such meeting, in which case such stockholders or the corporation may at any time within sixty days after such meeting file a petition in either the circuit court of Dane county or the circuit court of the county in which the principal office of the corporation within this state is located, asking for the condemnation of the shares of such dissenting stockholder and a finding and determination of the fair value thereof at the date of such stockholders' meeting.

(2) The taking of shares of such dissenting stockholders in order to promote employe ownership in railroad enterprises is hereby declared to be a taking for a public use and the necessity therefor shall in all cases be determined by the railroad company. The circuit courts of the several counties in this state are hereby vested with jurisdiction to hear and determine condemnation proceedings instituted by such petition and to determine the fair value of such shares of stock, and to render judgment against the corporation for the said value thereof. Any and all such dissenting stockholders may join, or may be joined, in all such proceed-

ings and the fair value of such shares of stock shall be equal to their market value, which in the case of stocks listed upon any stock exchange shall be the average price for which like shares of stock were sold upon such exchange during the week in which was held the stockholders' meeting aforesaid. Upon payment by the corporation to the said stockholder, or to the clerk of said court, of the value of such shares of stock so determined, such stockholder shall cease to have any interest in such shares or in the property of the corporation, and his shares of stock shall be transferred to, and may be held and disposed of by the corporation as treasury stock. The corporation shall be liable for and shall pay to any such objecting stockholder the value of his shares of stock so determined. In case of failure or refusal of such stockholder to surrender for transfer the certificates representing such shares of stock, the filing with the secretary of said railroad company of a certified copy of the circuit court's order determining the value thereof together with a receipt from the clerk of said court showing full payment therefor by the railroad company, shall constitute full authority for the said company to issue new certificates in lieu of those in the hands of such dissenting stockholder, and such outstanding certificates shall thereupon be null and void.

(3) Any such corporation may, at any such annual or special meeting of its stockholders held pursuant to the notice aforesaid, increase its capital stock in such amount as may be determined by like vote of its stockholders at such meeting to provide additional stock for issue and sale to such employes.

(4) In the event such corporation by like vote of its stockholders at a subsequent meeting held pursuant to notice as specified in subsection (1) hereof, shall, before the trial of any such condemnation proceeding, rescind the previous action respecting such issue and sale of stock to employes and determine not to sell such stock without first offering it to existing stockholders, then such condemnation proceeding shall be, upon application of either party, dismissed, and all court costs be paid by the railroad company.

SECTION 2. This act shall take effect upon passage and publication.

Approved July 2, 1929.