

AN ACT AMENDING SECTION ONE HUNDRED AND SEVENTY-FOUR OF ACT NUMBERED FOURTEEN HUNDRED AND FIFTY-NINE, ENTITLED "THE CORPORATION LAW," AND SECTION ONE HUNDRED AND EIGHTY-TWO THEREOF...

Act No. 2092, December 23, 1911

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The authority of the United States, be it enacted by the Philippine Legislature, that:

SECTION 1. Section one hundred and seventy-four of Act Numbered Fourteen hundred and fifty-nine, entitled "The Corporation Law," is hereby amended by striking out the words "three million" before the last word in said section and inserting in lieu thereof the words "ten million," so that the said section shall read as follows:

"SEC. 174. The capital stock of such corporations shall be paid-in by the stockholders in regular, equal, periodical payments, known as dues, at such times and in such amounts as shall be provided in the by-laws of the corporation. The dues on each share of stock subscribed for by a stockholder shall continue to be paid by the stockholder to the corporation until the share has been duly withdrawn, canceled, or forfeited, or until the share has reached its matured value; that is to say, when the dues paid on each share and the net earnings thereof, in accordance with the by-laws, shall amount to the par value of the share, but such corporation may issue and sell at par, for cash, paid-up or investment stock, and may pay to the holders of such shares a rate of interest or dividend to be fixed by the board of directors of the corporation, which shall be expressed in the stock shares and shall not participate further in the profits or accretions of the corporation. Such paid-up or investment stock may be surrendered by the holder at any time upon the giving of ninety days' notice to the corporation, or such briefer notice as the corporation may fix, and upon such surrender the holder will be entitled to receive only the amount of principal invested together with the accrued interest or earned dividend fixed by the board of directors and expressed in the stock shares. The capital stock shall consist of the proceeds of such paid-up or investment stock and of such accumulated dues together with the earnings and profits of the corporation, and shall in no case exceed ten million pesos."

SEC. 2. Section one hundred and eighty-two of Act Numbered Fourteen hundred and fifty-nine, entitled "The Corporation Law," as amended by Act Numbered Two thousand and thirty-seven of the Philippine Legislature, is hereby amended by striking out the last words of said section which read as follows: "and unless, such real estate shall be situated within the city or municipality in which the principal place of business of the corporation is established," so that the said section shall read as follows:

"SEC. 182. Every loan made by the corporation must be properly evidenced by a note or other instrument in writing and must be secured by a first mortgage or deed of trust on unencumbered real estate and also by the pledge to the corporation of shares of stock of the corporation the matured value of which shall at least equal the amount loaned: Provided, however, That loans may be made on the security of free shares pledged to the corporation for the payment of the loan in case, at the time that the loan is made, the withdrawal value of such free shares under the bylaws shall exceed the amount borrowed and interest thereon for six months: And provided further, That no loan on the security of real estate shall be made unless the title to such real estate shall have been first registered in accordance with the Land Registration Act or under the system of registration established by the laws in force on the date of the passage of said Land Registration

Act."

SEC. 3. The public good requiring the speedy enactment of this bill, the same shall take effect on its passage, in accordance with section one of Act Numbered Nineteen hundred and forty-five of the Philippine Legislature.

Enacted, December 23, 1911.

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