

[Act No. 2789, February 08, 1919]

AN ACT TO AMEND CERTAIN SECTIONS OF ACT NUMBERED TWENTY-SEVEN HUNDRED AND SEVENTY-TWO, ENTITLED "AN ACT AUTHORIZING THE MERGER OR CONSOLIDATION OF CERTAIN CORPORATIONS, AND FOR OTHER PURPOSES."

Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. Section one of Act Numbered Twenty-seven hundred and seventy-two is hereby amended to read as follows:

"SECTION 1. Any corporation organized, or to be organized, under any law, or laws, of the Philippine Islands, is hereby authorized to merge or consolidate into a single corporation with any other corporation organized, or to be organized, under any law, or laws, of the United States or of any State or Territory of the United States, or of the Philippine Islands, and owning and operating any railway lines within the Philippine Islands: Provided, however, That no such merger or consolidation shall take place between any railroad corporation or between any railroad corporations and other carrier by land or water whereby competing agencies of transportation are reduced to one control."

SEC. 2. Subsection (b) of section two of Act Numbered Twenty-seven hundred and seventy-two is hereby amended to read as follows:

"(b) The agreement, unless it has been approved by a written instrument duly executed by all the stockholders of" each of said merging or consolidating corporations, shall be submitted to the stockholders of each of said corporations separately, at a meeting thereof to be called for the purpose of taking the same into consideration; of the time, place, and general object of which meeting due notice shall be given by publication at least six times a week, for two successive weeks, in a newspaper published in or near the place where the principal office in the Philippine Islands of the corporation is located, and by mailing a copy of such notice at least ten days prior to such meeting to the last known post-office address of each of the stockholders of record; and at said meeting the said agreement shall be considered, and a vote by ballot, in person or by proxy, shall be taken for the adoption or rejection of the same, each share entitling the holder thereof to one vote; and if a majority of all the votes cast at each of such meetings shall be in favor of said agreement, consolidation, or merger, then that fact shall be certified by the president, or one of the vice-presidents of the corporation, under the corporate seal, attested by the secretary, and said certificates, duly subscribed and sworn to by the president or vice-president and by the secretary of each corporation, before an officer authorized to administer oaths, or the written approval of all the stockholders of each of said corporations, duly executed, with the certificate of the president, or of one of the vice-presidents, under the corporate seal, attested by the

secretary, that the persons by or in behalf of whom such approval was signed, were on the date thereof all the stockholders of the corporation, together with a copy of the agreement, shall be presented to the Public Utility Commission, who shall ascertain and declare whether the applicants have, by complying with the requirements of this Act, entitled themselves to the merger or consolidation applied for, and shall issue or refuse a certificate thereof accordingly; if it be issued, the said agreement and certificate, with the order thereon of the Commission, shall be certified by the Commission to the chief of the division of archives, patents, copyrights, trade-marks, and corporations of the Bureau of Commerce and Industry, and, upon payment of the proper fees, shall be filed in the manner prescribed by the existing law for the filing of original articles of incorporation, whereupon the said merger or consolidation shall be complete and the merged or consolidated corporation may proceed to carry out the details of said merger or consolidation according to the terms of the agreement and to transact and carry on the business for which it was formed: Provided, however, That if any stockholder of either of the corporations so merged or consolidated, who shall not have given assent thereto, and who shall not be satisfied therewith, shall signify such dissent by notice in writing, served on the president, secretary, or treasurer of the new corporation, at any time within three months after the said meeting of his corporation to act thereon, he shall receive from such new corporation the fair cash value of his stock as of the day before the vote for the agreement or consolidation of his corporation was so cast as aforesaid, which, if not agreed on, shall be appraised by three disinterested persons, resident in the Philippine Islands, appointed by the judge of the Court of First Instance of the province wherein the principal office of the corporation of such dissatisfied stockholder is located, and it shall be the duty of said judge to make such appointment on reasonable notice, on the application of either party; and upon the payment of the agreed value of his stock and interest thereon, such stockholder shall deliver up his certificate of stock, if any such has been issued, and, if none such has been issued, shall make a due assignment to the merged or consolidated corporation of all his rights in respect thereto; and the corporation may thereafter, in lieu thereof, reissue the same amount of stock to any other person or persons."

SEC. 3. Section three of Act Numbered Twenty-seven hundred and seventy-two is hereby amended to read as follows:

"SEC. 3. Upon the perfecting, s-is aforesaid, of a consolidation made in the manner herein provided, the several corporations parties thereto shall be deemed and taken as one corporation, upon the terms and conditions set forth in said agreement; or, upon the perfecting of a merger, the corporation merged shall be deemed and taken as absorbed by the other corporation and incorporated in it; and all and singular the rights, privileges, and franchises of each of said corporations, and all property, real and personal, and all debts due on whatever account, belonging to each of such corporations, shall be taken and deemed as transferred to and vested in the new corporation formed by the consolidation, or in the surviving corporation in case of merger, without