

IC 8-4-24

Chapter 24. Purchase and Sale of Defunct Railroads

IC 8-4-24-1

Certificate of sale; public lease; sale notice

Sec. 1. (a) In case a majority in interest of the creditors of a railroad company and the majority in interest of the stockholders of such company agree upon a plan for the readjustment or capitalization of the debt and stock thereof, thereupon an agreement as aforesaid, either before or after a sale of such railroad under judicial proceedings, and a purchase at such sale by trustees on behalf of the parties to such agreement, all the franchises and powers, including the franchises to act as a corporation conferred by the charter of such railroad company, pass by such sale and vest in the trustees, together with the railroad and all the other property embraced in the sale. In case any railroad situate wholly or partly within Indiana, or any part thereof situate within Indiana, shall, in pursuance of such agreement, be sold by virtue of any mortgage or mortgages or deed or deeds of trust, either by foreclosure or other proceedings in law or equity, or pursuant to any power in such mortgage or mortgages or deed or deeds of trust contained, or by the joint exercise of those authorities, as provided in this section, the purchaser or purchasers of the same, or their survivor or survivors, or the associates of a purchaser or survivor, may form a corporation, by filing in the office of the secretary of state a certificate, under the signature of the purchasers, survivors, and associates specifying the name of such corporation, the number of directors, the names of the first directors and the period of their service (not exceeding one (1) year), the amount of the original capital, and the number of shares into which such capital is to be divided.

(b) The persons signing the certificate, and their successors, shall be a body politic and corporate, by the name therein specified. A copy of such certificate, attested by the signature of the secretary of state or the secretary's deputy, shall, in all courts and places, be evidence of the due organization and existence of the corporation and of the facts in the certificate stated. No sale under this chapter shall be valid unless notice thereof, stating time and place of sale, shall have been published in some newspaper of general circulation in the city of New York, and also by publishing the notice in at least one (1) newspaper of general circulation published in each county in Indiana through which the railroad may run, not less than thirty (30) nor more than sixty (60) days, at the discretion of the court ordering the sale, immediately preceding the sale.

(Formerly: Acts 1861, c.78, s.1.) As amended by P.L.62-1984, SEC.74; P.L.1-1989, SEC.17.

IC 8-4-24-2

Powers, privileges, facilities, and franchises

Sec. 2. Such corporation shall possess all the powers, rights, privileges, immunities, faculties, and franchises in respect to the said

railroad, or the part thereof purchased as aforesaid, which were possessed or enjoyed by the corporation that owned or held the said railroad previous to such sale by virtue of its charter or amendments thereto or other laws of this state, or of any state not inconsistent with the laws of this state in which any part of the said railroad is situate, and shall also have power, by agreement of the persons forming the said corporation as aforesaid, or by a vote of a majority in interest of the stockholders, at any time within six (6) months after the formation of the said corporation, to assume any debts or liabilities of the corporation which owned or held the said railroad before the said sale; and in like manner and within a like period, to make such adjustments with any stockholders of the said last mentioned corporation as it may deem expedient, and, for the said purposes, to use such portions of the bonds and stock it may be authorized to create as it may deem necessary, and in such manner as it may deem proper; and shall also have power to make and issue bonds, payable at such times and places and bearing such rates of interest as it may deem expedient, and to sell or dispose of such bonds at such prices and in such manner as it may deem proper, and to secure the payment of any bonds which it may make, issue, or assume to pay, by a mortgage or mortgages or deed or deeds of trust of its railroad, or of any part thereof, or any other of its property, real or personal; and may include in such mortgage or mortgages or deed or deeds of trust any locomotives, cars, and other rolling stock and equipments, and any machinery, tools, implements, fuel, and materials, whether then held or thereafter to be acquired for the constructing, operating, repairing, or replacing the said railroad, or any part thereof, or any of its equipments or appurtenances; all of which property, so included, whether then held or thereafter to be acquired, shall be subject to the lien and operation of such mortgage or mortgages or deed or deeds of trust, all franchises held by said corporation and connected with or relating to the said railroad, and all corporate franchises of the said company; which said franchises, in case of sale by virtue of any such mortgage or mortgages or deed or deeds of trust, are hereby declared to pass to the purchasers, so as to enable them to form a corporation in the manner prescribed in this chapter, and to vest in such corporation all the faculties, powers, authorities, immunities, and franchises conferred by this chapter; and the said corporation shall have power to establish a sinking fund for the redemption of any of its debts; and shall likewise have power to issue capital stock to such aggregate amount as it shall deem necessary, not exceeding any limitation which may be fixed by agreement with the persons forming the said company in the manner provided in this chapter, and may establish preference in respect to dividends in favor of one (1) or more classes of the said stock, in such order and manner and to such extent and with securities, as it may deem expedient; and may confer on holders of any bonds which it may issue or assume to pay such rights to vote at all meetings of stockholders, not exceeding one (1) vote for every one hundred dollars (\$100) of the par amount of the said bonds, as may by it be

deemed advisable, which rights when once fixed, shall attach to and pass with such bonds, under such regulations as the bylaws may prescribe, to the successive holders thereof, but shall not subject any holders to any assessment by the said company, or to any liability for its debts, or entitle any holder to dividends; and the said corporation shall also have capacity to hold and enjoy and exercise within other states the aforesaid faculties, powers, rights, immunities, and franchises, and such others as may be conferred upon it by any law of the state or of any other state in which any part of its railroad may be situate or in which it may do any part of its business, and to hold meetings of stockholders and directors, and to do all corporate acts and all things without this state as validly as it may do the same within this state.

(Formerly: Acts 1861, c.78, s.2.) As amended by P.L.62-1984, SEC.75.

IC 8-4-24-3

Reciprocity; foreign corporations

Sec. 3. In case the part situate within this state of any railroad, a part of which is situate in another state, shall become vested in a corporation of such other state, and such corporation shall also acquire a part situate in such other state of the said railroad, the said corporation may exercise and enjoy, within this state, for the purpose of the said railroad and its business, so far as it may be endowed by the laws of the state of its creation with capacity to do so, all the powers, rights, faculties, privileges, immunities, and franchises enumerated in section 2 of this chapter, and its mortgages or trust deeds shall operate as therein specified.

(Formerly: Acts 1861, c.78, s.3.) As amended by P.L.62-1984, SEC.76.

IC 8-4-24-4

Liens and encumbrances

Sec. 4. Next in the order of lien to the existing mortgage debt of the old road shall stand the amounts due persons for labor performed, wood and other such materials furnished the old company in running the road, and damages for killing stock and right of way: Provided, That all the property of said company shall be liable for damages recovered against said company for stock killed or injured by them and exempt from mortgage liens.

(Formerly: Acts 1861, c.78, s.4.)

IC 8-4-24-5

Place of sale

Sec. 5. So much of any railroad as lies in this state and is embraced in the mortgage or mortgages sought to be foreclosed may be sold at such sale as an entirety; and the court making a decree or order of sale may declare, in the order, where the principal office of the railroad company is situate within the state, and may order the sale to be made at the court-house door of the county in which the

principal office within the state is situate.
(Formerly: Acts 1861, c.78, s.5.)

IC 8-4-24-6

Surrender or assignment of stock; acquisition of stock in reorganized company

Sec. 6. In case of the sale of a railroad, or any part thereof, as in section 1 of this chapter mentioned, full power is hereby given to the corporate authorities of the several counties, cities, townships, and other municipal corporations holding stock in the company by which such railroad was owned, and to all persons holding such stock in a fiduciary capacity, to surrender or assign such stock, and to accept and receive such new stock in any corporation which, after such sale, may become the owners of said railroad or any part thereof, as may be apportioned or given in respect to the said first mentioned stock under any reorganization of the ownership of the said railroad.

(Formerly: Acts 1861, c.78, s.6.) As amended by P.L.62-1984, SEC.77.

IC 8-4-24-7

Settlement of former account

Sec. 7. No purchaser or purchasers of any railroad shall be entitled to any rights or benefits under this chapter until such purchaser or purchasers shall first assume and pay, in money or first class or satisfactory securities, to be issued by the new corporation formed upon the sale or transfer of any railroad as herein provided for, as the creditor or creditors may elect, all ticket balances and back charges for freight, with interest, whether due upon account, judgment of a court of record, bond, note, or other instrument in writing, which the former railroad corporation may have owned or been in arrears for, to any connecting railroad company, operating a railroad entirely or in part in this state.

(Formerly: Acts 1861, c.78, s.7.) As amended by P.L.62-1984, SEC.78.

IC 8-4-24-8

Amendment or repeal of chapter

Sec. 8. This chapter may be amended or repealed at the discretion of the legislature.

(Formerly: Acts 1861, c.78, s.8.) As amended by P.L.62-1984, SEC.79.