



ANNO VICESIMO & VICESIMO PRIMO

VICTORIÆ REGINÆ.

Cap. cxxxviii.

An Act to make Provision with respect to Capital fraudulently created in the *Great Northern* and *East Lincolnshire* Railway Companies.

[10th August 1857.]

WHEREAS by "The *Great Northern* Railway Act, 1846," 9 & 10 Vict. c. lxxi.
 the *Great Northern* Railway Company, which was thereby incorporated, was authorized to raise a Capital of Five millions six hundred thousand Pounds by Shares, and to borrow One million eight hundred and sixty-eight thousand Pounds; and by "The *Great Northern* Railway Act (No. 1), 1851," the Company were authorized to raise in Shares an additional Sum of Seven hundred and fifty thousand Pounds, and by Mortgage an additional Sum of Two hundred and fifty thousand Pounds; and by "The *Great Northern* Railway Company's Increase of Capital Act, 1853," the Company were again authorized to raise by Shares a further Capital of Seven hundred and fifty thousand Pounds, and to borrow an additional Sum of Two hundred and fifty thousand Pounds; and by "The *Great Northern* Railway Act, 1855," the Company were authorized to raise a further Sum of One million Pounds by Shares, and Three hundred and thirty-three thousand Pounds by Mortgage; and by other Acts relating to the Company they have been authorized to raise further Capital to the Extent of Five hundred and sixty-three thousand
 [Local.] 22 X Pounds

14 & 15 Vict. c. xlv.

16 & 17 Vict. c. lx.

18 & 19 Vict. c. cxxiv.

The Great Northern Railway Company (Capital) Act, 1857.

Statement of
Capital.

11 & 12 Vict.
c. cxiv.

East Lin-
colnshire
Railway.
10 & 11 Vict.
c. cxlviii.

Pounds for specific Purposes: And whereas in pursuance of the said Acts the Company have by Votes at several Meetings created a Capital in Shares of Eight millions six hundred and sixty thousand Pounds, and have actually and lawfully on the Registers of the Company such Capital to the Extent of Eight millions two hundred and nine thousand one hundred and twelve Pounds Ten Shillings, the greater Part of which is consolidated into Stock; and of the said Capital, the Sum of Seven hundred and ninety-six thousand four hundred and forty Pounds is entitled to Priority of Dividend at the Rate of Four and a Half *per Centum per Annum*, and Two millions six hundred and sixteen thousand six hundred and forty-seven Pounds Ten Shillings is entitled to such Priority at the Rate of Five *per Centum per Annum*: And whereas the remaining Sum of Four millions seven hundred and ninety-six thousand twenty-five Pounds Ten Shillings is ordinary Stock entitled to participate in the Profits of the Company, subject to such Priority of the said Preference Stock; but (by virtue of Powers contained in the Seventieth Section of "*The Great Northern Railway Acts Amendment and Isle of Axholme Extension Act, 1848,*") the Proprietors of the Company, at a Half-yearly Meeting on the Twelfth Day of *August* One thousand eight hundred and forty-eight, resolved that every Proprietor of an ordinary Share of Twenty-five Pounds on which Seventeen Pounds had been paid, should have the Option of dividing the same into Two Shares of Twelve Pounds Ten Shillings each, distinguished as A. or Deferred and B. or Guaranteed Shares, the Proprietors of the A. Shares (on which Twelve Pounds Ten Shillings had been paid in full) agreeing to give to the Proprietors of the B. Shares a Priority of Dividends to the Extent of Six *per Centum per Annum* on the said B. Shares, the annual Dividends beyond Six *per Centum* accruing to the Proprietors of the A. Shares alone; and there has been thus created One million one hundred and fifty-nine thousand two hundred and seventy-five Pounds of A. and the same Amount of B. Stock; the remaining Sum of Two millions four hundred and seventy-seven thousand four hundred and seventy-five Pounds consisting of undivided ordinary Stock entitled to participate in the Profits of the Company, subject to the said Priority of the said Preference Stock: And whereas the Proprietors of all the Stock and Shares of the Company, whether Preference or A. or B. or ordinary Stock, are alike entitled to vote at the Meetings of the Company upon all Questions and upon the Election of Directors and Auditors: And whereas by virtue of "*The Great Northern Railway Company's Purchase Act, 1847,*" the *Great Northern Railway Company* have long been in possession of the Undertaking of the *East Lincolnshire Railway Company*, under a Lease for Nine hundred and ninety-nine Years, at a fixed annual Rent of Thirty-six thousand Pounds; and by virtue of the Thirty-fourth Section of "*The Great Northern Rail-*
way

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way Acts Amendment Act, 1849," the entire Management of the Undertaking of the said *East Lincolnshire* Railway Company, and the Distribution among the Proprietors thereof half-yearly of the said Rent, has devolved upon the *Great Northern* Railway Company: And whereas the paid-up Share Capital of the *East Lincolnshire* Railway Company is Six hundred thousand Pounds, which is consolidated into a Capital Stock: And whereas it hath recently been discovered that Stock and Shares both of the *Great Northern* and of the *East Lincolnshire* Railway Companies have been fraudulently created and issued by means of false Entries in the Books of the Companies, and by fictitious Transfers and otherwise, to the Amount of Two hundred and twenty-one thousand and seventy Pounds or thereabouts, and that by reason thereof the Stock and Shares of the *Great Northern* Railway Company and the Stock of the *East Lincolnshire* Railway Company exceed the Limits prescribed by the said several Acts of Parliament; and the Directors of the *Great Northern* Railway Company have been advised, that inasmuch as the said Stocks and Shares thus fraudulently created and issued are so blended with the genuine Capital of the Companies that they cannot be identified, the Company cannot without the Sanction of Parliament make any Dividend until the said several Stocks are reduced within the said Limits: And whereas the Schedule to this Act contains a Statement of the Capital lawfully on the Registers of the Company, and also a Statement of the Capital fraudulently created, so far as those Frauds have yet been ascertained: And whereas the Half-yearly General Meeting of the Company was held in *London* on the Twelfth Day of *March* One thousand eight hundred and fifty-seven, which Meeting had been specially convened "to receive a Report from the Directors on the " Subject of the Forgeries and Frauds committed by *Leopold Redpath* on the Company, and to authorize the Directors to make " Application to Parliament, and take any other Measures they may " deem advisable in reference thereto;" and at the said Meeting a Report from the Directors, and a Statement of the net Revenue of the Company to the Thirty-first Day of *December* One thousand eight hundred and fifty-six was read, which showed a Balance of Two hundred and forty-three thousand nine hundred and twenty-three Pounds Five Shillings and Eightpence for the Half Year ending on the said Thirty-first Day of *December*; and at the said Meeting it was resolved, " That no Dividend be declared, but that this Meeting " considers it desirable that the Balance of Two hundred and forty- " three thousand nine hundred and twenty-three Pounds Five Shil- " lings and Eightpence mentioned in the Directors Report should be " applied to meet the Losses caused by the Frauds and Forgeries of " *Leopold Redpath* referred to in the Directors Report, and that the " Directors be and are hereby requested and authorized so to apply " the

12 & 13 Vict.
c. lxxxiv.As to Stock
and Shares
fraudulently
created.General
Meeting held
12th March
1857.

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“ the said Balance when and in such Manner as they may consider
 “ most beneficial for the Company, and to take such Proceedings in
 “ Parliament and otherwise as they may deem most conducive to the
 “ Interests of the Company :” And whereas the said *Leopold Redpath*
 has been convicted of Felony in consequence of the said Frauds
 and Forgeries, and has also been declared Bankrupt, and it is
 expected that some Part of the Losses occasioned by such Frauds
 and Forgeries may be reimbursed to the *Great Northern Railway*
Company : And whereas it is believed that for the Stock and Shares
 so fraudulently created and issued a valuable and adequate Con-
 sideration has been given, without the Holders thereof having any
 Knowledge that the same were created and issued fraudulently, and
 it is fitting that the Holders of the said Stock and Shares should
 have their Titles to the same recognized, and that the Means herein-
 after authorized should be taken for the Re-purchase by the Company
 and for the ultimate Extinction of the Capital so fraudulently created
 and issued, or of Capital equivalent thereto in Amount: But inasmuch
 as these Objects cannot be attained without the Authority of Parlia-
 ment, may it therefore please Your Majesty that it may be enacted ;
 and be it enacted by the Queen’s most Excellent Majesty, by and
 with the Advice and Consent of the Lords Spiritual and Temporal,
 and Commons, in this present Parliament assembled, and by the
 Authority of the same, as follows ; (that is to say,)

All existing
 Stock and
 Shares of
 Great North-
 ern and East
 Lincolnshire
 Railway
 Companies
 recognized.

I. All Stock of whatever Description, and all Shares in the *Great Northern* and *East Lincolnshire* Railway Companies respectively, appearing upon the Registers of Stock and Shares of the same Companies respectively on the Thirty-first Day of *January* and the Thirty-first Day of *March* One thousand eight hundred and fifty-seven respectively, (when the said Registers were respectively last closed,) are hereby declared to be valid, and to entitle the Holders thereof to all the Rights, Privileges, and Advantages, and to subject the Holders thereof to all the Duties and Liabilities which attach to the same Stock or Shares, or which would attach to the same if they had been all legally created and issued under the Authority of the Acts relating to the said Companies respectively.

As to Appli-
 cation of
 Balance of
 243,923*l.*
 5*s.* 8*d.*

II. The Directors shall apply the said Sum of Two hundred and forty-three thousand nine hundred and twenty-three Pounds Five Shillings and Eightpence, and any Moneys which shall be received by the *Great Northern Railway Company* towards Reimbursement as aforesaid of the said Losses, in Repayment of all Moneys expended by the said Company because of such Frauds and Forgeries, and in Payment of the Costs, Charges, and Expenses resulting therefrom, inclusive of the Expense of applying for, obtaining, and passing this
 Act;

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Act ; and in purchasing from Time to Time at their Discretion Stock or Shares of the said Companies in each of the several Capitals mentioned in the said Schedule, to the Amount of the several Stocks or Shares of the same Companies respectively so fraudulently created and issued, whether already discovered or hereafter discovered ; and they shall forthwith cancel and extinguish the Stock and Shares so purchased : Provided always, that any Purchases of Stock or Shares which the Directors may have made pursuant to the said Resolution of the Twelfth Day of *March* last are hereby ratified and confirmed, and the said Directors are hereby required forthwith to cancel and extinguish the Stock or Shares so purchased : Provided also, that after the Purchase and cancelling and extinguishing herein-before directed, it shall be lawful for the Company or the Directors thereof to exercise all the Powers heretofore vested in them for the Creation and Issue of Capital as fully as though no such Stock and Shares had been so fraudulently created and issued.

Extinction
of spurious
Capital.

III. If any Balance shall remain of the said Sum and of the said Moneys after such Application thereof as herein-before directed, it shall be lawful for the Directors and they are hereby required to apply such Balance, so far as the same will extend, in paying to the Proprietors of the several Classes of Preference Stock or Shares the Dividends to which they would have been entitled out of the said Sum of Two hundred and forty-three thousand nine hundred and twenty-three Pounds Five Shillings and Eightpence, if the same had been declared and apportioned as Dividend at the said Half-yearly Meeting of the Twelfth Day of *March* One thousand eight hundred and fifty-seven : Provided always, that all the Proprietors of each Class of Preference Stock or Shares shall receive their Dividends according to the Priority of the said Class and in preference to any subsequent Class : Provided also, that if the Balance remaining after Payment of the Dividend to preceding Classes of Stock or Shares is not sufficient to pay the whole Amount of the Dividend to the next subsequent Class, such Balance shall be divided rateably among all the Proprietors of the same Class of Stock or Shares according to the Amount of the same held by them respectively.

Surplus to
be paid to
Preference
Share-
holders.

IV. It shall not be lawful for the Company, out of any Money by any Act relating to the Company authorized to be raised for the Purposes of such Act or Acts, to pay or deposit any Sum of Money which, by any Standing Order of either House of Parliament now in force or hereafter to be in force, may be required to be deposited in respect of any Application to Parliament for the Purpose of obtaining an Act authorizing the Company to construct any other Railway or execute any other Work or Undertaking.

Deposits for
future Bills
not to be
paid out of
Company's
Capital.

[*Local.*]

22 Y

V. Nothing

The Great Northern Railway Company (Capital) Act, 1857.

Railways not exempt from Provisions of present and future General Acts.

V. Nothing herein contained shall be deemed or construed to exempt the *Great Northern* or the *East Lincolnshire* Railway, or the Companies owning the same, from the Provisions of any General Act relating to Railways, now in force or which may hereafter pass during this or any future Session of Parliament, or from any future Revision and Alteration, under the Authority of Parliament, of the maximum Rates of Fares and Charges, or of the Rates for small Parcels, authorized to be taken by the said Companies.

Not to prevent Directors, &c. from being answerable for Neglect or Misconduct.

VI. Nothing herein contained shall in any way affect the Right, if any, of the Company or the Proprietors of the Shares therein to recover against their Directors or Officers of the said Company for any Neglect or Misconduct on their Part in the Matters in the Recital to this Act mentioned.

Short Title.

VII. This Act may be cited as “The *Great Northern Railway Company (Capital) Act, 1857.*”

*The Great Northern Railway Company (Capital) Act, 1857.*SCHEDULE.

GREAT NORTHERN RAILWAY BILL.

Statement of Capital and Frauds.

Name of Stock.	Amount lawfully registered.			Amount fraudulently created.		
	£	s.	d.	£	s.	d.
Original - - -	2,477,475	0	0	49,027	10	0
A. Stock - - -	1,159,275	0	0	76,375	0	0
B. Stock - - -	1,159,275	0	0	38,252	10	0
Perpetual £5 per Cent. -	1,285,487	10	0	13,487	10	0
1st £5 per Cent. redeemable -	742,275	0	0	11,350	0	0
4½ per Cent. redeemable -	796,440	0	0	9,570	0	0
2nd £5 per Ct. redeemable -	588,885	0	0	4,907	10	0
	8,209,112	10	0	202,970	0	0
East Lincolnshire Stock -	600,000	0	0	18,100	0	0
	8,809,112	10	0	221,070	0	0
Dividend Warrants, estimated -	-	-	-	15,000	0	0
Expenses of Prosecution and } Investigation, estimated - }	-	-	-	8,000	0	0

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