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NOTES.

P. LIABILITY OF A STOCKHOLDER UNDER A FOREIGN STATUTE.—The nature of the liability imposed upon a stockholder in a domestic corporation which is operating in a foreign jurisdiction and is subject to statutes there enacted, was raised in a recent English case. The Court decided that the liability to a creditor of a stockholder in a joint stock company limited, formed under the English Companies Act to do business in the United States, will be fixed by the provisions of that Act and not by the more severe liability imposed by the statutes of California, where the contract was made. *Risdon Iron Works v. Furness* [1905] 1 K. B. 304.

While there is great confusion in the early English law touching the conception of the corporation and the theory of the entity as applied to the *universitas* is not clearly defined, yet as regards the commonalty, or political corporation, there are cases as early as 1437 holding that the goods of the members could not be taken in execution against the commonalty, except where the King was the judgment creditor. Pollock & Maitland, *Hist. Eng. Law*, Bk. II, Chap. II, §12. When the business corporation developed, the "body politic" idea of the borough was adopted and although later rights against the stockholders upon the insolvency of the company were given to the creditors, it is commonly stated that the liability of the stockholder for the debts of the corporation was not known at common law, but was created by statute. *Terry v. Little* (1879) 101 U. S. 216; *Pollard v. Bailey* (1874) 20 Wall. 520.

As a basic proposition a corporation is controlled by the laws of the incorporating State, and its legal existence is confined thereto, except so far as the principles of comity have established extra-territorial recognition. *Bank of Augusta v. Earle* (1839) 13 Pet. 519; *Beale, Foreign Corp.*, §442. The liability created by the laws of a foreign jurisdiction, in an action against a resident stockholder has been enforced, *Pulsifer v. Greene* (1902) 96 Me. 438, or denied,