

MAINE STATE LEGISLATURE

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THE LEGISLATURE

OF THE

STATE OF MAINE,

DURING ITS SESSION

A. D. 1857.

PART SECOND.

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1857.

THIRTY-SIXTH LEGISLATURE.

HOUSE.]

[No. 5.]

GENERAL BANKING LAW OF NEW YORK.

AN ACT to authorize the business of banking.

[Passed April 18, 1838.]

The people of the State of New York, represented in Senate and Assembly, do enact as follows :

SECTION 1. The Comptroller is hereby authorized and required to cause to be engraved and printed in the best manner to guard against counterfeiting, such quantity of circulating notes, in the similitude of bank notes in blank, of the different denominations authorized to be issued by the incorporated banks of this State, as he may from time to time deem necessary to carry into effect the provisions of this act, and of such form as he may prescribe. Such blank circulating notes shall be countersigned, numbered and registered in proper books to be provided and kept for that purpose in the office of said Comptroller, under his discretion, by such person or persons as the said Comptroller shall appoint for that purpose, so that each denomination of such circulating notes shall bear the uniform signature of such register, or one of such registers.

SECT. 2. Whenever any person or association of persons, formed for the purpose of banking, under the provisions of this act, shall

lawfully transfer to the Comptroller any portion of the public stock issued or to be issued by this State, such person or association of persons, shall be entitled to receive from the Comptroller an equal amount of such circulating notes of different denominations, registered and countersigned as aforesaid; but such public stock shall in all cases be, or be made to be, equal to a stock of this State producing five per cent. per annum; and it shall not be lawful for the Comptroller to take such stock at a rate above its par value, nor above its current market value.

SECT. 3. Such person or association of persons are hereby authorized, after having executed and signed such circulating notes in the manner required by law to make them obligatory promissory notes payable on demand, at the place of business within this State, of such person or association, to loan and circulate the same as money, according to the ordinary course of banking business as regulated by the laws and usages of this State.

SECT. 4. In case the maker or makers of any such circulating note or notes, countersigned and registered as aforesaid, shall at any time hereafter, on lawful demand, during the usual hours of business between the hours of ten and three o'clock, at the place where such note or notes is or are payable, fail or refuse to redeem such note in the lawful money of the United States, the holder of such note or notes making such demand, may cause the same to be protested for non-payment by a notary public, under his seal of office in the usual manner; and the Comptroller, on receiving and filing in his office such protest, shall forthwith give notice in writing to the maker or makers of such note or notes to pay the same; and if he or they shall omit to do so for ten days after such notice, the Comptroller shall immediately thereupon (unless he shall be satisfied that there is a good and legal defence against the payment of such note or notes,) give notice in the State paper, that all the circulating notes issued by such person or association, will be redeemed out of the trust funds in his hands for that purpose; and the Comptroller shall be required to apply the said trust funds

belonging to the maker or makers of such protested notes to the payment *pro rata* of all such circulating notes, whether protested or not, put in circulation by the maker or makers of such protested notes, pursuant to the provisions of this act, and to adopt such measures for the payment of such notes, as will in his opinion most effectually prevent loss to the holders thereof.

SECT. 5. The Comptroller may give to any person or association of persons so transferring stock in pursuance of the provisions of this act, powers of attorney to receive interest or dividends thereon, which such person or association may receive and apply to their own use; but such powers may be revoked upon such person or association failing to redeem the circulating notes so issued, or whenever, in the opinion of the Comptroller, the principal of such stock shall become an insufficient security; and the said Comptroller, upon the application of the owner or owners of such transferred stock in trust, may, in his discretion, change or transfer the same for other stocks of the kinds before specified in this act, or may transfer the said stocks, or any part thereof, or the mortgages, or any of them hereinafter mentioned and provided for, upon receiving and cancelling an equal amount of such circulating notes delivered by him to such person or association, in such manner that the circulating notes shall always be secured in full either by stocks or by stocks and mortgages, as in this act provided.

SECT. 6. The bills or notes so to be countersigned, and the payment of which shall be so secured by the transfer of public stocks, shall be stamped on their face, "Secured by the pledge of public stocks."

SECT. 7. Instead of transferring public stocks as aforesaid to secure the whole amount of such bills or notes, it shall be lawful for such person or association of persons, in case they shall so elect before receiving any of the said bills or notes, to secure the payment of one-half of the whole amount so to be issued, by transferring to the Comptroller bonds and mortgages upon real estate,

bearing at least six per cent. interest of this State, payable annually or semi-annually; in which case all such bills or notes issued by the said person or association of persons, shall be stamped on their face, "Secured by pledge of public stocks and real estate."

SECT. 8. Such mortgages shall be only upon improved, productive, unincumbered lands within this State, worth independently of any buildings thereon, at least double the amount for which they shall be so mortgaged; and the Comptroller shall prescribe such regulations for ascertaining the title and the value of such lands as he may deem necessary; and such mortgages shall be payable within such time as the Comptroller may direct.

SECT. 9. The Comptroller may, in his discretion, re-assign the said bonds and mortgages, or any of them, to the person or association who transferred the same, on receiving other approved bonds and mortgages of equal amount; and when any sum of the principal of the bonds and mortgages transferred to the Comptroller shall be paid to him, he shall notify the person or association that transferred the bonds and mortgages of such payment, and may pay the same to such person or association on receiving other approved bonds and mortgages of equal amount.

SECT. 10. The person or association of persons assigning such bonds and mortgages to the Comptroller, may receive the annual interest to accrue thereon, unless default shall be made in paying the bills or notes to be countersigned as aforesaid, or unless in the opinion of the Comptroller the bonds and mortgages or stocks so pledged shall become an insufficient security for the payment of such bills or notes.

SECT. 11. In case such person or association of persons shall fail or refuse to pay such bills or notes on demand in the manner specified in the fourth section of this act, the Comptroller, after the ten days' notice therein mentioned, may proceed to sell at public auction the public stocks so pledged or the bonds and mortgages so assigned, or any or either of them, and out of the proceeds of such

sale shall pay and cancel the said bills or notes, default in paying which shall have been made as aforesaid; but nothing in this act contained shall be considered as implying any pledge on the part of the state for the payment of said bills or notes beyond the proper application of the securities pledged to the Comptroller for their redemption.

SECT. 12. The public debt and bonds and mortgages to be deposited with the Comptroller by any such person or association, shall be held by him exclusively for the redemption of the bills or notes of such person or association put in circulation as money until the same are paid.

SECT. 13. The plates, dies and materials to be procured by the Comptroller, for the printing and making of the circulating notes provided for hereby, shall remain in his custody and under his direction; and the expenses necessarily incurred in executing the provisions of this act, shall be audited and settled by the Comptroller, and paid out of any moneys in the treasury not otherwise appropriated; and for the purpose of reimbursing the same, the said Comptroller is hereby authorized and required to charge against and receive from such person or association applying for such circulating notes, such rate per cent. thereon as may be sufficient for that purpose, and as may be just and reasonable.

SECT. 14. It shall not be lawful for the Comptroller, or other officer, to countersign bills or notes for any person or association of persons, to an amount in the aggregate exceeding the public debt, or public debt and bonds and mortgages at their value, as provided in the second section of this act, deposited with the Comptroller by such person or association; and any Comptroller or other officer who shall violate the provisions of this section shall, upon conviction, be adjudged guilty of a misdemeanor, and shall be punished by a fine not less than five thousand dollars, or be imprisoned not less than five years, or by both such fine and imprisonment.

SECT. 15. Any number of persons may associate to establish offices of discount, deposite and circulation, upon the terms and conditions, and subject to the liabilities prescribed in this act; but the aggregate amount of the capital stock of any such association shall not be less than one hundred thousand dollars.

SECT. 16. Such persons, under their hands and seals, shall make a certificate which shall specify,

1. The name assumed to distinguish such association, and to be used in its dealings.

2. The place where the operations of discount and deposite of such association are to be carried on, designating the particular city, town or village.

3. The amount of the capital stock of such association, and the numbers of shares into which the same shall be divided.

4. The names and places of residence of the shareholders, and the number of shares held by each of them respectively.

5. The period at which such association shall commence and terminate; which certificate shall be proved or acknowledged and recorded in the office of the Clerk of the County where any office of such association shall be established, and a copy thereof filed in the office of the Secretary of State.

SECT. 17. The certificate required by the last preceding section to be recorded and filed in the offices of the Clerk of the County and Secretary of State as aforesaid, or copies thereof, duly certified by either of those officers, may be used as evidence in all courts and places for and against any such association.

SECT. 18. Such association shall have power to carry on the business of banking, by discounting bills, notes and other evidences of debt; by receiving depositories; by buying and selling gold and silver bullion, foreign coins and bills of exchange, in the manner specified in their articles of association for the purposes authorized by this act; by loaning money on real and personal security; and

by exercising such incidental powers as shall be necessary to carry on such business; to choose one of their number as president of such association, and to appoint a cashier, and such other officers and agents as their business may require, and to remove such president, cashiers, officers and agents at pleasure, and appoint others in their places.

SECT. 19. The shares of said association shall be deemed personal property, and shall be transferable on the books of the association in such manner as may be agreed on in the articles of association; and every person becoming a shareholder by such transfer, shall, in proportion to his shares, succeed to all the rights and liabilities of prior shareholders; and no change shall be made in the articles of association by which the rights, remedies or security of its existing creditors shall be weakened or impaired. Such association shall not be dissolved by the death or insanity of any of the shareholders therein.

SECT. 20. It shall be lawful for any association of persons organized under this act, by their articles of association, to provide for an increase of their capital and of the number of the associates, from time to time as they may think proper.

SECT. 21. Contracts made by any such association, and all notes and bills by them issued and put in circulation as money, shall be signed by the president or vice-president and cashier thereof; and all suits, actions and proceedings brought or prosecuted by or on behalf of such association, may be brought or prosecuted in the name of the president thereof; and no such suit, action or proceeding shall abate by reason of the death, resignation or removal from office of such president, but may be continued and prosecuted according to such rules as the courts of law and equity may direct, in the name of his successor in office, who shall exercise the powers, enjoy the rights and discharge the duties of his predecessor.

SECT. 22. All persons having demands against any such association, may maintain actions against the president thereof; which

suits or actions shall not abate by reason of the death, resignation or removal from office of such president, but may be continued and prosecuted to judgment against his successor; and all judgments and decrees obtained or rendered against such president for any debt or liability of such association shall be enforced only against the joint property of the association, and which property shall be liable to be taken and sold by execution under any such judgment or decree.

SECT. 23. No shareholder of any such association shall be liable in his individual capacity for any contract, debt or engagement of such association, unless the articles of association by him signed shall have declared that the shareholder shall be so liable.

SECT. 24. It shall be lawful for such association to purchase, hold and convey real estate for the following purposes:

1. Such as shall be necessary for its immediate accommodation in the convenient transaction of its business; or
2. Such as shall be mortgaged to it in good faith, by way of security for loans made by, or moneys due to, such association; or
3. Such as shall be conveyed to it in satisfaction of debts previously contracted in the course of its dealings; or
4. Such as it shall purchase at sales under judgments, decrees or mortgages held by such association.

The said association shall not purchase, hold or convey real estate in any other case or for any other purpose; and all conveyances of such real estate shall be made to the president or such other officer as shall be indicated for that purpose in the articles of association; and which president or officer, and his successors from time to time may sell, assign and convey the same, free from any claim thereon, against any of the shareholders or any person claiming under them.

SECT. 25. Upon the application of creditors or shareholeers of any such association, whose debts or shares shall amount to one thousand dollars, and stating facts verified by affidavit, the chancellor may, in his discretion, order a strict examination to be made

by one of the masters of his court, of all affairs of such association, for the purpose of ascertaining the safety of its investments, and the prudence of its management; and the result of every such examination, together with the opinion of the master and of the chancellor thereon, shall be published in such manner as the chancellor shall direct, who shall make such order in respect to the expenses of such examination and publication as he may deem proper.

[Section 26 of original act repealed by section 5, of chap. 319, laws of 1841.]

SECT. 27. If such association shall neglect to make out and transmit the statement required in the last preceding section, for one month beyond the period when the same is required to be made, or shall violate any of the provisions of this act, such association may be proceeded against and dissolved by the court of chancery, in the same manner as any moneyed corporation may be proceeded against and dissolved.

SECT. 28. If any portion of the original capital of any such association shall be withdrawn for any purpose whatever whilst any debts of the association remain unsatisfied, no dividends or profits on the shares of the capital stock of the association shall thereafter be made, until the deficit of capital shall have been made good, either by subscription of the shareholders, or out of the subsequently accruing profits of the association; and if it shall appear that any such dividends have been made, it shall be the duty of the chancellor to make the necessary orders and decrees for closing the affairs of the association, and distributing its property and effects among its creditors and shareholders.

SECT. 29. Such association shall be liable to pay the holder of every bill or note put in circulation as money, the payment of which shall have been demanded and refused, damages for non-payment thereof, in lieu of interest, at and after the rate of fourteen

per cent. per annum, from the time of such refusal until the payment of such evidence of debt, and the damages thereon.

SECT. 30. The president and cashier of every association formed pursuant to the provisions of this act, shall at all times keep a true and correct list of the names of all the shareholders of such association, and shall file a copy of such list in the office of the clerk of the county where any office of such association may be located, and also in the office of the Comptroller, on the first Mondays of January and July in every year.

SECT. 31. It shall not be lawful for any association formed under the provisions of this act, to make any of its bills or notes of a denomination less than one thousand dollars, to be put in circulation as money, payable at any other place than at the office where the business of the association is carried on and conducted.

SECT. 32. The legislature may at any time alter or repeal this act.

AN ACT to amend the act entitled, "An act to authorize the business of banking."

[Passed May 14, 1840.]

The people of the State of New York, represented in Senate and Assembly, do enact as follows:

SECTION 1. (Substitutes a new section for the second section of the original act, which is inserted in the preceding publication of same.)

SECT. 2. The provisions of the said second section shall not be construed to prevent the stocks now held by the Comptroller under the act hereby amended, from being hereafter transferred to and received by him at their market value in the same manner as though this act had not been passed.

SECT. 3. No association of persons shall commence the business of banking under the said act, until such association shall have deposited with the Comptroller the securities required by law, to the amount of one hundred thousand dollars.

SECT. 4. No banking association or individual banker as such shall issue or put in circulation any bill or note of said association or individual banker, unless the same shall be made payable on demand and without interest; and every violation of this section by any officer or member of a banking association or by any individual banker shall be deemed and adjudged a misdemeanor, punishable by fine or imprisonment, or both, in the discretion of the court having cognizance thereof.

SECT. 5. It shall be the duty of the Comptroller to receive mutilated circulating notes issued by him, and to deliver in lieu thereof other circulating notes to the same amount.

SECT. 6. The thirty-third section of the act hereby amended is repealed.

SECT. 7. Whenever the securities deposited for the redemption of circulating notes, shall in the opinion of the Comptroller become insufficient for that purpose, he may receive the dividend on all stocks as well as the interest on bonds and mortgages, and shall deposit the same in some safe bank or banking association in the city of Albany, in his name, in trust for the association or banker to whom the same may belong. The deposit to be made on such terms and at such rate of interest as the Comptroller may deem most conducive to the interest of such association or banker, and to be withdrawn and paid over, whenever in the opinion of the Comptroller, the securities of such association or banker, shall be sufficient to warrant it.

SECT. 8. It shall be the duty of the joint committee, annually chosen to examine the Treasurer's accounts, to examine such of the securities deposited in the Comptroller's office, by banking associa-

tions, and individual bankers, together with books and papers therein relating to the business of banking, as the said committee may deem necessary to enable them to report the true state and conditions of that department to the Legislature.

SECT. 9. It shall be lawful for the president of any banking association, or any individual banker, to make or execute bonds and mortgages, direct to the Comptroller to secure the payment of circulating bills or notes, issued under the act to authorize the business of banking, and all such bonds and mortgages heretofore received by the Comptroller, for such purpose, shall be valid.

SECT. 10. All fees for protesting the circulating notes issued by any banking association or individual banker, shall be paid by the person procuring the services to be performed, for which such association or banker, shall be liable, but no part of the securities deposited by such association or banker, shall be applied to the payment of such fees.

SECT. 11. Every banking association and individual banker, carrying on banking business, or who shall hereafter carry on banking business, under the act to authorize the business of banking, shall be subject to the inspection and supervision of the bank commissioners, whose powers and duties, shall be the same, in respect to said banking association or individual banker, as they are, or may be, in respect to any of the incorporated banks of this State. •

SECT. 12. In case any of the said associations or individual bankers, shall refuse to submit its books, papers and concerns, to the inspection of said commissioners, or either of them, or whose officers shall refuse to submit to be examined upon oath, touching the concerns of such association or individual banker, by said commissioners, or either of them, or which shall be found to have violated any law of this State, binding upon such association or individual banker, such association or individual banker, shall be liable to be proceeded against by said commissioners, in the same

manner and with the like effect as any incorporated bank may be proceeded against for a violation of its charter.

SECT. 13. There shall be appointed one additional bank commissioner, whose style and term of office, powers, duties, compensation and manner of appointment, shall be the same as those of the present commissioners. The salary of such commissioner, shall be paid quarterly by the Treasurer, on the warrant of the Comptroller, and the amount thereof retained by the Comptroller, and paid into the treasury, out of the interests upon the securities deposited with the Comptroller, by the said banking associations and individual bankers, in proportion to the amount of securities deposited by each.

SECT. 14. Nothing in the act hereby amended, shall be construed to prevent any body corporate, which may have power to hold, receive or transfer, shares of public debt, bank stock, or the like personal property, from also holding, receiving or transferring any transferable shares of the stock of associations organized under the said act.

AN ACT to amend the act entitled "An act to authorize the business of banking."

[Passed May 26, 1841.]

The people of the State of New York, represented in Senate and Assembly, do enact as follows:

SECTION 1. Every banking association and individual banker carrying on banking business, or who shall hereafter carry on banking business under the act to authorize the business of banking, shall annually make out and transmit to the bank commissioners in the form prescribed by them, a full statement of its affairs, verified by the oaths of its president and cashier, which statements shall be

deposited by such banking association or individual banker respectively, in the office of the Secretary of State, sealed and directed to said commissioners on or before the twentieth day of January in each year, after the passage of this act, or after the time of their having respectively commenced the business of banking as prescribed by the act hereby amended.

SECT. 2. Such statement so transmitted shall contain,

1. The amount of the certified stock of the capital stock of the banking association or individual banker, paid in or invested according to law, or in pursuance of its articles of association and the amount of such stock as then possessed.

2. The value of the real estate of the association or individual banker, specifying what portion is occupied by the association or individual banker for the transaction of business.

3. The shares of stock held by such association or individual banker, whether absolutely or as collateral security, specifying each kind and description of stock and the number and value of each.

4. The debts owing to the association or individual banker, specifying such as are due from moneyed or other corporations or associations, the names of such corporations or associations and the amount due from each, and also specifying the amount secured by bond and mortgage or judgment, the amount which ought to be included in the computation of losses, and the total amount of such debts then collectable.

5. The amount of debts owing by the association or individual banker, specifying such as are payable on demand, and such as are due to moneyed or other corporations, associations or individual bankers, the names of such corporations or associations or individual bankers, and the amount due to each.

6. The amount of claims against the association or individual banker, not acknowledged by it or him as debts.

7. The amount for which the association or individual banker is bound as surety, or for which it may become liable on the happening of contingent events, whether upon policies of insurance or otherwise.

8. The amount of the notes or bills then in circulation, of said association or individual banker, of loans and discounts, and of specie on hand.

9. The amount on the first of January next preceding, of notes or bills in circulation, of loans and discounts, and of specie on hand of such association or individual banker.

10. The amount of the losses of the association or individual banker (if any) charged, specifying whether charged on its or his capital or profits since the last preceding statement, and of the dividends declared and made during the same period.

11. The amount of real estate, mortgages and of State stocks, together with the description of such stocks deposited by each association or individual banker, with the Comptroller as security for the circulating notes issued; the marked value of said stocks as near as the same can be ascertained, and the date to which payment of interest has been made upon such real estate mortgages and stocks, and whether said interest has been paid to such banking association or individual banker, or passed to their or his credit on the books of the Comptroller.

SECT. 3. Every association that shall neglect to make out and transmit the statement required as prescribed in the first section of this act, may be proceeded against and dissolved as an insolvent association, and every individual banker subject to this law who shall so neglect, shall be restrained from the further prosecution of his business.

SECT. 4. It shall be the duty of the bank commissioners to prepare forms of the statements, and to transmit a copy thereof, together with such instructions as they may deem necessary to every association or individual banker, which is or shall be bound to furnish such statements under the provisions of this act. The expenses of printing the forms of said statements and instructions shall be paid by the Treasurer on the warrant of the Comptroller, and the amount thereof retained by the Comptroller and paid into

the treasury, out of the interest of the securities deposited with the Comptroller by the said banking associations and individual bankers in proportion to the amount of securities deposited by each.

SECT. 5. The twenty-sixth section of the act hereby amended, is repealed.

[This section substitutes a new one for the first section of the act of 1838, which has been inserted accordingly.]

SECT. 7. Every assignment of any bond or mortgage, executed by the Comptroller under his official seal, in pursuance of the provisions of the said act, or which may be otherwise authorized by law, may be recorded in the same manner and with the like effect as a deed regularly acknowledged or proved before any officer authorized by law to take the proof and acknowledgment of deeds.

SECT. 8. When any individual banker, or the officers of any banking association desirous of relinquishing the banking business, shall have redeemed at least ninety per cent. of their circulating notes, and shall produce to the Comptroller a certificate of a deposit to his credit, in such bank as he shall approve, to an equal amount with the circulating notes of such bank unredeemed, it shall be lawful for him to receive the same, and to give up all the securities therefor deposited by such banker or association for the redemption of circulating notes issued.

SECT. 9. Such association or individual banker, after having complied with the provisions of the preceding section, may give notice for two years in the State paper, and also in at least one newspaper printed in the county where the said association or bank shall have been located, that all circulating notes issued by such association or bank, must be presented at the Comptroller's office within two years from the date of such notice, or that the funds deposited for the redemption of the notes will be given up to the bank or association, and on receiving satisfactory proof of the giving of such notice for the time aforesaid, the Comptroller shall surrender

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to the order of the said association or bank, any securities which he may hold for the payment of any unredeemed notes of the said association or bank.

AN ACT respecting suits and legal proceedings by or against banking associations.

[Passed March 16, 1841.]

The people of the State of New York, represented in Senate and Assembly, do enact as follows :

SECTION 1. Actions instituted against any association established under the provisions of the "Act to authorize the business of banking," passed April 18, 1838, or of any act amending the same, may be commenced by declaration, and copies of such declaration may be served on the president or cashier of such association, and in their absence on any director at the usual place of business thereof, or in such other manner as the court in which such action is brought may direct. But all such actions shall nevertheless be commenced only against the persons, and in the manner prescribed or permitted by the acts above mentioned.

SECT. 2. Any person who shall be or shall have been an associate or shareholder of any such association, may in respect of any demand which he may have, either solely or jointly with any other person, against such association, commence and prosecute, either solely or jointly (as the case may be,) any action, suit or other proceeding in law and equity against the president of such association; and any president of such association may commence and prosecute any action, suit or other proceeding in law or equity, against any person who may be or who may have been an associate or shareholder of such association, either alone or jointly with any other person, against whom such association may have any demand whatever. All such suits or proceedings by or against such president, shall be conducted and have the same legal effect as if such associate

or shareholder had never been a member of such association. Nor shall any action or suit be in any way affected by reason of the plaintiff's or defendant's or any other person who may be in any way interested in such action, being or having been a shareholder or associate of such association. Nor shall it be necessary in any process, pleading or proceeding, in behalf of or against any such association, to name the individuals comprising the same.

SECT. 3. No claim or demand which any associate or shareholder may have in respect to his share or interest in the capital or joint stock of any such association, or of any dividends, interest or profits thereon, shall be capable of being set off either at law or in equity against any demand which such association may have against any associate or shareholder thereof. But all other demands may be set off in the same manner as in suits between individuals; and in any suit against the president of any such association, as president thereof, he may set off demands belonging to it, in the same manner and with the same effect as if such association was the nominal party in the cause.

AN ACT concerning foreign bank notes.

[Passed May 7, 1839.]

The people of the State of New York, in Senate and Assembly, do enact as follows :

SECTION 1. From and after the passage of this act, it shall be unlawful for any incorporated banking institution within this State, and for any association, or any individual or individuals authorized to carry on the business of banking, by virtue of the act entitled "an act to authorize the business of banking," passed the 18th day of April, 1838, to receive, pay out, give or offer in payment, as money, to circulate or attempt to circulate as money, any bill, note or other evidence of debt, issued, or purporting to have been issued by any corporation, association or individual situated or residing

without this State, and which bill, note, or other evidence of debt, shall, upon any part thereof, purport to be payable or redeemable at any place, or by any person, association or corporation within this State.

SECT. 2. It shall not be lawful for any incorporated banking institution within this State, or any association or individual or individuals authorized to carry on the business of banking by virtue of the said act entitled "an act to authorize the business of banking," directly or indirectly to procure or receive from any association or individual situated or residing without this State, any bank bill or note, or other evidence of debt in the similitude of a bank bill or note issued, or purporting to have been issued, by such last mentioned corporation, association or individual, with the intent to issue and pay out, or in any to utter or circulate the same as money, or to issue, pay out, or to utter or circulate the same when procured or received as aforesaid as money. But nothing in this section contained shall prohibit said banking institutions, associations, and individual bankers in the first part of this section mentioned, from receiving from their dealers and customers such foreign notes as are allowed by law to be circulated within this State, in the regular course of business, or from paying out the same when so received as last aforesaid.

SECT. 3. It shall not be lawful for any incorporated banking institution within this State, or any association, or any individual or individuals authorized to carry on the business of banking by virtue of the said act, entitled "an act to authorize the business of banking," directly or indirectly to lend or pay out for paper discounted or purchased by them, any bank bill or note, or other evidence of debt which is not received at par by said banking institution, association or individual for debts due to said banking institution, association or individual.

SECT. 4. Every corporation and every association and individual authorized to carry on the business of banking, who shall offend

any of the provisions of the previous sections of this act, shall forfeit for each and every offense the sum of one thousand dollars, to be recovered with costs of suit in the name of and for the use of any person who shall sue for the same, and prosecute such suit to judgment in any court having cognizance thereof; and every officer and clerk of such corporations and associations, and every individual banker and his clerks and servants, who shall knowingly act or assist in any violation of any provision of this act, shall, upon conviction, be deemed guilty of a misdemeanor, and shall be punished by fine or imprisonment, or both, in the discretion of the court before which such convictions shall be had; but such fine shall not exceed five hundred dollars, and that such imprisonment shall not exceed six months.

SECT 5. This act shall take effect immediately upon its passage.

AN ACT relating to the redemption of bank notes.

[Passed May 4, 1840.]

The people of the State of New York, represented in Senate and Assembly, do enact as follows:

SECTION 1. Every moneyed incorporation in this State having banking powers, and issuing bills or notes of circulation, and every banking association and individual banker, carrying on banking business under the act to authorize the business of banking, except those whose place of business is in the cities of New York, Albany or Brooklyn, shall, on or before the first day of July next, appoint an agent, who shall keep an office, in the city of New York or Albany, for the redemption of all circulating notes issued by such corporation, banking association or individual banker, which shall be presented to such agent for payment or redemption.

SECT. 2. Such agent shall be appointed in writing, and such

appointment in writing shall be delivered to the Comptroller on or before the day above mentioned and filed in his office; and any corporation having banking powers, banking association, banker or other person, may be an agent for the purposes of this act; and if any such incorporation, association or banker, shall omit to appoint such agent within the time above mentioned, the Comptroller shall appoint such agent for such corporation, association or banker.

SECT. 3. The Comptroller immediately after the said first day of July, shall publish, during such time as he may deem proper, a list of such agents in the State paper, and in at least two daily newspapers in the city of New York, the expense whereof shall be paid by the corporation, associations and bankers above mentioned.

SECT. 4. It shall be the duty of every such corporation, banking association and individual banker, out of the cities of New York, Albany and Brooklyn, to redeem and pay on demand all circulating notes issued by such corporation, banking association or individual banker, presented for redemption or payment at the office of their said agent in the city of New York or of Albany, at a rate of discount not exceeding one-half of one per cent.

SECT. 5. Every such corporation, banking association, or individual banker, whose agent shall neglect or refuse to redeem their notes on demand as aforesaid, shall pay to the person making such demand interest upon the notes so demanded, at the rate of twenty per cent. per annum; and if such redemption and payment of interest is not made at said office within twenty days from the time when first demanded, such corporation, banking association or individual banker, shall be liable to be proceeded against by the bank commissioners, in the same manner and with the like effect as any incorporated bank may be proceeded against for a violation of its charter; and such corporation, banking association or individual banker, shall not thereafter issue or put in circulation any of their bills or notes; and the Comptroller shall, in that case, proceed in

the same manner as is directed in the fourth section of the act entitled, "An act to authorize the business of banking," passed April 18, 1838.

SECT. 6. Every association and individual banker who shall hereafter commence business under the act to authorize the business of banking, shall upon first receiving any circulating notes from the Comptroller, appoint an agent for the purposes of this act, and be subject in all respects to the provisions of this act; and the Comptroller is hereby directed not to deliver any circulating notes to such association or banker, until such appointment is made and filed in his office; and such appointment shall be immediately published by the Comptroller in manner aforesaid.

SECT. 7. Appointments of agents made in pursuance of this act, may be revoked, and new appointments of agents may be made, from time to time, by delivering such revocation and appointment to the Comptroller, who shall cause the same to be published as aforesaid.

SECT. 8. It shall be lawful for any number of incorporated banks, banking associations and private bankers, by agreement, to associate together for raising a joint fund to be placed in the hands of their common agent for the redemption of their circulating notes in the city of New York or Albany, and also the circulating notes of other incorporated banks, banking associations and individual bankers, in such manner and under such regulations as may be agreed upon, and to employ such agents and clerks as they may deem necessary to carry on the business of such common agency; but nothing in this section contained shall authorize the redemption or purchase by such agency of any circulating notes at a discount of more than one-half of one per cent., nor to relieve or discharge such incorporated bank, banking association or individual banker, from any duty or liability required or imposed by this act.

SECT. 9. Nothing contained in this act shall be so construed as

to authorize any incorporated bank, banking association or individual banker, to purchase, buy in, or take up, directly or indirectly, their circulating notes at an amount less than what purports to be due thereon at any other place, or in any other manner than is directed in and by this act.

AN ACT respecting the appointment of receivers of moneyed institutions.

[Passed April 27, 1841.]

The people of the State of New York, represented in Senate and Assembly, do enact as follows :

SECTION 1. Whenever in proceedings in the court of chancery against any moneyed corporation or any banking association, or individual banker, formed or transacting business under the "Act to authorize the business of banking," passed April 18, 1838, it shall become necessary or expedient to direct the appointment of a receiver of the effects of any corporation, association or banker, or in the case of the death or resignation of any such receiver, an order shall be entered by such court referring it to the bank commissioners to name a proper person to be appointed such receiver, and to take from such receiver such security and in such penalty as they shall deem proper for the faithful discharge of his duties; the sufficiency of such security shall be determined by them in the manner now provided by the rules of the court of chancery for ascertaining the sufficiency of sureties, and for accounting whenever required; and on the filing of a certificate by the bank commissioners, naming any person to be appointed such receiver, together with the bond given him, an order shall be entered by the said court, appointing the person named in such certificate, receiver of the effects of such corporation, association or banker, with the usual powers of receiver in such cases.

SECT. 2. Such receiver shall be subject to the direction and control of the bank commissioners in respect to the collection and management of the effects of such corporation, association or banker, and with their assent may compromise and compound any claims or demands of such corporation, association or banker, and may extend the time for the payment of any such claims or demands and may sell any effects in his hands at public auction or at private sale, and on such times of credit as may be deemed most for the interest of all parties concerned.

SECT. 3. Whenever the bank commissioners shall be dissatisfied with the proceedings of any receiver of the effects of any such incorporation, association or banker, hereafter appointed, they may by writings under their hands, certify to the court of chancery that such person should be removed from his appointment of receiver; and on filing such certificate in the court by which such receiver was appointed, such court shall enter an order removing him; and thereupon a further order shall be entered referring it to the bank commissioners to appoint a receiver in the place of the person so removed, and the same proceeding shall be had thereon as provided in the first section of this act, in the case of an original appointment, and the receiver so appointed shall possess the like powers and be subject to the same directions as provided by this act in case of an original appointment.

SECT. 4. The receivers to be appointed under and in virtue of this act, shall be entitled to the same commissions and compensation for their services as are now allowed by law to executors and administrators, and no greater or other commissions or compensations than is hereby allowed shall be received or retained by them.

SECT. 5. This act shall take effect immediately.

STATE OF MAINE.

HOUSE OF REPRESENTATIVES, }
February 9, 1857. }

ORDERED, That the Clerk of the House cause to be printed, for the use of the Legislature, 350 copies of the General Banking Law of New York as found in the "Laws of New York" for 1841, from page 351 to page 368 inclusive.

GEO. W. WILCOX, *Clerk.*