

MAINE STATE LEGISLATURE

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PUBLIC ACTS

OF THE

STATE OF MAINE,

PASSED BY THE

ELEVENTH LEGISLATURE,

AT ITS SESSION, HELD IN JANUARY, 1831.

—◆—
PUBLISHED AGREEABLY TO THE RESOLVE OF 28TH JUNE, 1820.
—◆—

Portland.

TODD AND HOLDEN.....PRINTERS TO THE STATE.

1831.

Districts, of the time and place of meeting for the purpose of examining copies of the lists of votes for Representative in the manner prescribed in the Constitution; and when thus assembled the Selectmen and Assessors of towns and plantations or Assessors of plantations, which may be so classed, shall by a majority of votes determine the place for their future meeting in said District to examine copies of lists of votes for a Representative in said District, which place shall continue to be the same annually, until otherwise ordered.

Officers present at first meeting, shall by major vote determine the place of future meetings.

Meetings shall be at place so fixed till otherwise ordered.

Repealing clause.

SECT. 10. *Be it further enacted*, That all Acts and parts of Acts inconsistent with the provisions of this Act, be, and the same are hereby repealed.

[*Approved by the Governor, March 31, 1831.*]

CHAPTER DXIX.

AN ACT to regulate Banks and Banking.

SECT. 1. *BE it enacted by the Senate and House of Representatives, in Legislature assembled*, That from and after the passing of this Act, every Bank which shall receive a charter from or by authority of this State and every Bank whose capital shall be increased or diminished, or whose charter shall be extended, shall be governed by the following rules and subjected to all the duties, limitations, restrictions, liabilities and provisions contained in this Act.

What Banks subject to provisions of this Act.

SECT. 2. *Be it further enacted*, That every Bank incorporated by the authority aforesaid, shall be a Corporation by the name of the President, Directors and Company of the Bank (the blank to be filled as the law may require) capable in law to sue and be sued to final judgment and execution, to have and use a common seal, and the same at pleasure to revoke, al-

Powers of Banking Corporations.

ter and renew, and also to establish and put in force such by-laws and regulations as to them shall appear necessary and convenient for the government of said Corporation, and at any legal meeting of the Stockholders duly called therefor, by a majority of votes, the same to alter, amend or annul and to substitute others in their place as shall seem to them right and expedient, which being entered on their books shall be valid and binding: *Provided*, That such by-laws and regulations shall in no wise be contrary to the Constitution and laws of this State. And said Banking Corporations are hereby made capable in law to have, hold, purchase, receive, possess and retain to them, their successors and assigns, lands, rents, tenements and hereditaments to an amount authorized by law, with power to bargain, sell and dispose of the same, and to loan and negotiate their monies and effects, by discounting on banking principles on such security as they shall think advisable: *Provided*, That no loan shall be made by any Bank upon pledge of its own stock, nor shall any Bank discount notes, bills of exchange, drafts, or other security for the payment of money, without at least two responsible names as principals, sureties or endorsers thereon, (and for this purpose any firm composed of one or more members are to be considered as one person) and no loan shall be made to any Stockholder until the full amount of his shares shall have been paid into the Bank.

May establish
by-laws.

May hold real
estate.

No Bank to
loan on pledge
of its own
stock.

Two principals,
sureties
or endorsers
required in all
cases.

SECT. 3. *Be it further enacted*, That no Bank, except such as is now incorporated, shall go into operation, make discounts, loan money, emit bills or promissory notes, until fifty per centum, at least of its capital stock shall have been paid in gold and silver money, and shall then be in its vaults, which shall have been examined by three Commissioners appointed by the Governor, with the advice and consent of the Council, whose duty it shall be, at the expense of the Banks, to ex-

No Bank to
go into operation
until fifty
per cent. of
capital stock
paid.

Amount in
vaults how
ascertained
and proved.

amine and count the money actually in the vaults, and to ascertain by the oaths of a majority of the Directors of said Bank, that its capital hath been paid in by the Stockholders of said Bank toward payment for their respective shares, and not for any other purpose, and that it is intended to have it therein remain as part of said capital, and to return a certificate thereof to the office of the Secretary of State, and no part of the capital stock of any Bank, shall be sold or transferred, except by execution or distress, or by administrators or executors, until the whole amount thereof shall have been paid in. And the capital stock of each and every Bank which shall receive a charter from or by authority of this State, shall be paid in, in gold and silver money in manner following, to wit : one half within six months and the other half within twelve months after receiving said charter.

How and when capital stock to be paid.

Amount of bills any bank may issue and have in circulation at any one time.

SECT. 4. *Be it further enacted,* That the amount of bills issued by any Bank, shall not at any one time exceed fifty per centum beyond the amount of the capital stock actually paid in, including all bills issued by such Bank, whether in the hands of agents or otherwise ; and no loan or discount shall be made, nor shall any bill or note be issued by said corporation or by any person on their account, in any other place than at the said Bank.

Debts not to exceed twice the amount of capital stock.

SECT. 5. *Be it further enacted,* That the total amount of debts which any Banking Corporation shall at any time owe, whether by bond, bill, note or other contract, shall not exceed twice the amount of its capital stock actually paid in, exclusive of the sums due on account of deposits ; nor shall there be due to said Corporation at any one time, more than double the amount of its capital stock actually paid in. In cases of excess of debts so due from said Bank, the Directors, under whose administration it shall happen, shall be liable for the same in their private capacities. And

Directors liable in cases of excessive issues.

an action of debt may in such case be brought against them or any of them, their heirs, executors, or administrators, in any Court proper to try the same, by any creditor or creditors of said corporation, and may be prosecuted to final judgment and execution, any condition, covenant or agreement to the contrary notwithstanding. But this shall not be construed to exempt such Bank, or the lands, tenements, goods or chattels of the same, from being also liable for and chargeable with said excess: *Provided however*, That such of said Directors who may have been absent when said excess was contracted or created, or who may have dissented from the resolution or act whereby the same was contracted or created, may respectively exonerate themselves from being so liable as Directors, by forthwith giving notice of the fact, and of their absence or dissent to the Governor and Council, and to the Stockholders at any general meeting which they shall have power to call for that purpose.

Mode of proceeding against directors.

Bank also liable.

How directors may exonerate themselves from liability.

SECT. 6. *Be it further enacted*, That no banking corporation within and under the authority of this State, shall vest, use or improve any of its moneys, goods, chattels or effects in trade or commerce, but any corporation aforesaid may sell all kinds of personal pledges lodged with it by way of security, to an amount sufficient to reimburse the sum loaned with interest and expenses. Every banking corporation as aforesaid may hold real estate, lands and tenements, requisite for the convenient transaction of its business, not exceeding twelve per centum on the amount of its capital stock, unless they have been or shall be thereto specially authorized, exclusive of what it may hold on mortgage, receive on execution or take as security for or in the payment of any debt to said corporation.

Banks not to engage in trade or commerce.

Banks may hold real estate not exceeding certain amount.

SECT. 7. *Be it further enacted*, That no bank shall have less than five, nor more than nine Directors, (exclusive of such as may be appointed

Number and qualification of directors.

by the Governor and Council as hereinafter provided) a majority of whom shall be residents in the County where such bank is located, and none but a member of the Corporation for which he is chosen as a Director, being a citizen of and resident in this State, shall be eligible to that office, nor shall any two members of a copartnership be Directors of the same bank at one and the same time, or any person be a Director in two banks at one and the same time. The Directors shall choose one of their own number to act as President, and in case of the absence of the President, a chairman may be appointed, for the time being. The assent of a majority of the Directors shall always be necessary for the transaction of business. The stockholders may make the President such compensation as shall appear to them reasonable.

President how chosen.

Assent of majority of directors necessary in all cases.

Directors how, when and where chosen.

Notice of meeting how given.

Number of votes of each stockholder.

May vote by proxy.

SECT. 8. *Be it further enacted,* That the Directors shall be chosen by ballot annually at a meeting of the stockholders to be holden on the first Monday in October, at such place within the town where said bank is established as the President and Directors for the time being may designate, by giving public notice thereof fourteen days previous thereto, in some newspaper printed in the County, and if there be no newspaper printed in said County, then in some one published at the seat of Government. The number of votes to which each stockholder shall be entitled in the choice of Directors and for all other purposes, shall be according to the number of shares he shall hold, in the following proportions, that is to say— for one share, one vote and every two shares above one shall give a right to one vote more, provided no one member shall have more than twenty votes; and absent members may vote by proxy, such proxy being authorized in writing; vacancies occurring in the board of Directors before the expiration of the term for which they were chosen, may be filled at any meeting of the

stockholders, called for that purpose as herein before provided. The Directors shall also have power to call special meetings of the stockholders, as often as they think the interest of the corporation may require it, giving the same notice as before provided.

Directors may call special meetings of stockholders.

SECT. 9. *Be it further enacted,* That the Directors shall make half yearly dividends of the profits of the bank. The Directors shall have power to appoint a Cashier, Clerks and such other officers for carrying on the business of the bank, with such salaries as to them shall seem meet, and such Cashier, Clerks and other officers shall retain their places until removed therefrom, or others are appointed in their stead. *Provided,* That such Cashier shall not be one of the Directors of the bank to which he is so appointed.

Dividends of profits.

Directors may appoint Cashier and other officers.

SECT 10. *Be it further enacted,* That the Cashier and Clerks before they enter on the duties of their respective offices shall be sworn, and shall also give bond or bonds with two or more sureties to the satisfaction of the Board of Directors, conditioned for the faithful performance of the duties of their respective offices: *Provided,* That in no case shall the bonds given by any Cashier be signed by any Director of the corporation to which he is appointed, nor shall any bond given by a Cashier be taken for a less sum than twenty thousand dollars, nor a greater sum than fifty thousand dollars. It shall be the duty of the Cashier of any bank aforesaid to call special meetings of the stockholders at any time hereafter, on the application in writing, of the proprietors of fifteen per centum of the capital stock thereof, by giving fourteen days public notice of such meeting in the manner provided by the eighth section of this Act, and in case of refusal by such Cashier, said proprietors may apply to any Justice of the Peace in the county where said bank is located, who is hereby authorized to call such meetings, giving notice as before provided.

The Cashier and Clerks to be sworn and give bonds.

Duty of Cashier to call meetings of stockholders in certain cases.

SECT. 11. *Be it further enacted,* That in case the officers of any banking corporation aforesaid in the usual banking hours shall refuse or delay payment after demand made at the bank, in gold or silver money of any note or bill of said corporation there presented for payment, such corporation after fifteen days from such demand shall be liable to pay as additional damages at the rate of twenty-four per centum per annum for the time during which such payment shall be delayed or refused from and after said fifteen days: *Provided however,* That such penalty shall cease upon a legal tender being made to the owner, or owners of any bills demanded as aforesaid at his or their place of residence, or to his or their attorney, of the amount of such bills and all costs, interest and damages which may have accrued at the time of such tender.

Banks neglecting to pay their bills liable to pay twenty four per cent. interest after fifteen days from demand.

Penalty to cease upon legal tender being made.

Bank where kept.

SECT. 12. *Be it further enacted,* That every bank shall be kept in the town in which it is, or shall be originally established.

Legislature may require Banks to make loans to State.

Conditions of such loans.

SECT. 13. *Be it further enacted,* That upon any requisition of the Legislature, each banking corporation shall loan to the State a sum not exceeding five per centum on its capital stock at any one time, reimbursable by five annual instalments, or at any shorter period, at the election of the State, with the annual payment of interest at a rate not exceeding five per centum per annum: *Provided,* That the State shall never at any one time, stand indebted to any corporation without its consent for a larger sum than ten per centum of its capital. It shall be the duty of the Treasurer of this State, whenever he shall have occasion to borrow any sum of money of any incorporated Bank, under and by virtue of any authority for that purpose, given by any Act or Resolve of this State, to give notice in writing to the President or Cashier of the Bank or Banks named in such Act or Resolve of the amount which he has occasion so to borrow, and demand of said Bank a loan of the same, conformably to the provisions

Duty of Treasurer when wanted of any bank.

of this Act, and the State will hold itself responsible for any money borrowed of any Bank by the Treasurer: *Provided*, That the notice demanding such loan shall be accompanied by an attested copy of such Act or Resolve, and shall be approved by the Governor in writing.

SECT. 14. *Be it further enacted*, That the State shall have a right whenever the Legislature shall make provision by law, to subscribe on account of the State, a sum not exceeding one tenth part of the capital stock of any Bank whose charter shall be extended, or which may hereafter be incorporated by authority of this State, to be added to the capital stock of said company, subject to such rules, regulations and provisions as shall be by the Legislature made and established as to the management thereof, with the right of appointing one Director.

State may become stockholder in any Bank.

In such case State may appoint one Director.

SECT. 15. *Be it further enacted*, That every Bank shall be liable to pay to any bona fide holder the original amount of any note of said Bank, altered in the course of its circulation to a larger amount, notwithstanding such alteration, and shall also be obliged to receive in payment for all debts due such Bank the bills issued by the same.

Bank to pay original amount of altered bill to bona fide holder.

SECT. 16. *Be it further enacted*, That every Bank shall annually pay to the Treasurer of the State, for the use of the same, a tax of one per centum upon the amount of its capital stock paid in, one half of which shall be paid within ten days after the first Monday of October, and the remainder within ten days after the first Monday of April in each year. And if any Bank shall neglect to pay the aforesaid tax in the space of thirty days after the same shall become due, it shall be the duty of the Treasurer to issue a warrant of distress directed to the Sheriff of the County, in which such Bank is located, or his Deputy, commanding them to levy and collect the sum due from the estate and effects of such Bank, which warrant shall be in the same form

Amount of tax.

When payable.

Payment how enforced.

mutatis mutandis, as warrants of distress against delinquent Sheriffs are directed by law to be issued.

Weights used in Banks to be proved and sealed once in five years.

SECT. 17. *Be it further enacted,* That it shall be the duty of the Directors of the several Banks incorporated by and within this State, once in five years to have all the weights used in their respective Banks compared, proved and sealed by the Treasurer of this State, or by some person specially authorized by him for that purpose, which shall supersede, so far as respects such Banks, the sealing of their weights by the Town or District sealer. And no tender of gold by any Bank in this State weighed with weights other than those compared, proved and sealed as aforesaid, shall be legal. And to prevent the unavoidable imperfection of scale beams from operating unequally in payments of gold, the payer or receiver may require that the gold shall be weighed in each scale, and the mean weight resulting therefrom shall be considered as the true weight.

Payer or receiver may require gold to be weighed in each scale.

Bank shares liable to be attached.

SECT. 18. *Be it further enacted,* That shares in any Bank shall be liable to be attached on mesne process and taken in execution and sold agreeably to the provisions contained in an Act entitled "an Act respecting the attachment of property on mesne process, and directing the issuing, extending and serving of executions," passed in the year of our Lord one thousand eight hundred and twenty one.

Real estate of Banks may be taken in execution and sold at public vendue.

SECT. 19. *Be it further enacted,* That the lands, tenements and hereditaments of any Bank may be taken in execution and sold at public vendue, to the highest bidder, and in every such case the officer who shall levy such execution, shall be empowered to execute to the purchaser, a good deed or deeds of any such lands, tenements or hereditaments, having first given notice of the time and place of sale at least fourteen days previous thereto, in two or more public places in the town or place where such tenements lie, and

Notice of sale how given.

also in some newspaper printed in the county, and if there be no newspaper printed in said county then in some one published at the seat of Government. And all deeds and conveyances of any such lands, tenements or hereditaments, duly executed as aforesaid, shall be good and effectual in law, to transfer to the purchaser, his heirs and assigns forever, all the right, title and interest therein, which belonged to said corporation. And the officer who may levy any such executions, shall be authorized and empowered to adjourn the vendue from time to time, not exceeding seven days at any one time, until the sale of such real estate shall be completed. All the right, title, claim and interest of any Bank, in any lands, tenements or hereditaments, which have been or shall be mortgaged for security of any debt, due or assigned to such Bank, shall be liable to be seized and sold at Public Auction in the same manner as is prescribed for the sale and conveyance of the real estate of such Banks. And any debt secured by such mortgage and due to such Bank at the time of the sale of such mortgages, shall pass by deed of conveyance, executed by the officer who shall serve such writ of execution, and be completely and to all intents and purposes transferred to and vested in such purchaser; and such purchaser, or his legal representatives, may in his own name, maintain any action proper to recover such debt, or to obtain possession of such lands, tenements or hereditaments, which might have been maintained in the name of such Bank, had no such sale been had; and a copy of such mortgage deed, duly certified by the Register of Deeds for the County or District where such lands are situate and where such mortgage deed shall be recorded, shall be considered prima facie evidence of such mortgage deed. And it shall be the duty of the Cashier or Clerk of such Bank, on reasonable request, to furnish the officer who shall serve such execution, or the judgment creditor, with a certi-

Officer may
adjourn sale.

Right of any
Bank to real
estate mortgag-
ed may be
sold on execu-
tion.

Purchaser
may maintain
action to re-
cover debt or
obtain posses-
sion of land.

Duty of Cash-
ier on demand
of officer to
furnish copies.

fied copy of the note or obligation secured by such mortgage, together with a copy of all the endorsements thereon, and a statement of all such payments as shall have been made thereon by such debtor, and after sale of such mortgage, to deliver said note or obligation to the purchaser thereof. No gift, sale, transfer, conveyance or endorsement of such note or mortgage made by such Bank, after notice duly filed at the office of the Register of Deeds of said County or District, or otherwise given to the party to be effected thereby, of the seizure thereof on execution by such officer, for the purpose of sale under this act, shall have any validity, force or effect against such purchaser under such sale at auction, but the same shall be adjudged null and void except only between the Bank and the person to whom the Bank shall make such gift, sale, transfer, conveyance or endorsements, his heirs, executors, administrators and assigns.

Transfer of note or mortgage by Bank after notice, void as to purchaser.

Bills issued, by whom signed.

What amount of bills under five dollars may be issued.

No bill of denomination less than one dollar.

Rate of interest and discount.

SECT. 20. *Be it further enacted,* That all bills issued from any Bank, shall be signed by the President and Cashier thereof: *Provided however,* That all bills which shall get into circulation signed by either the President or Cashier thereof, through the agency or neglect of any officer of the Bank, shall be binding on the Corporation. Every Bank within this State, may issue bills under five dollars to the amount of twenty five per centum of its capital actually paid in and no more: but no Bank shall issue bills of a less denomination than one-dollar, under a penalty of one hundred dollars for each offence. All bills shall be issued in the names of the President, Directors and Company of the Bank issuing them; but no Bank shall issue any note, bill or check, draft facility, or certificate payable at a future day, or bearing interest. No bank in this State shall be permitted to take any greater rate of interest, or discount on any note, draft or security than at the rate of six per centum per annum,

whether such loan be made in specie, or otherwise, or agreement made to pay such loan in specie, or at a place other than the Bank making such discount, but such interest or discount may be calculated and taken according to the established rules of Banking: *Provided however*, That in discounting drafts or inland bills of exchange, the Bank so discounting the same may charge over and above the rate of interest aforesaid, the then existing rate of exchange, between the place where such draft may be discounted and the place where the same is payable. No Bank shall issue any bill, note, check or draft, redeemable at such Bank in any other manner than by payment in specie; but every incorporated Bank, which shall issue any bill, note, check or draft, redeemable in any other manner than by payment in specie on demand or payable at any place other than the place where such Bank is by law established, and kept, shall be liable to pay the same in specie to the holder thereof on demand at said Bank, without a previous demand at the Bank or place where the same is on the face thereof made payable. And if the Bank which issued the same shall neglect or refuse to pay on demand, made as aforesaid, any bill, note, check or draft, such Bank shall be liable to pay to the holder thereof two per cent. per month damages, from and after fifteen days from such demand as before provided in this act: *Provided however*, That nothing herein contained shall extend to any check or draft drawn by the President or Cashier of any Bank within this State, on any other Bank, either within or without this State, but all such checks or drafts shall first be presented for payment at the Bank on which the same shall be drawn, and in default of payment, the holder shall be entitled to recover against the Bank which issued the same, the amount of such check or draft, with two per cent. per month, on the amount thereof, from and after

Banks may change rate of exchange.

All bills, &c. issued by any Bank shall be payable in specie at the Bank.

Bank liable to pay two per cent. per month for neglect to pay on demand.

Payment of check or draft on another Bank to be demanded of Bank issuing the same before penalty incurred.

the time when such check or draft shall have been refused payment at the Bank issuing the same, as additional damages in any action against such Bank for the recovery of such check or draft: *Provided however*, That nothing herein contained shall restrain any President or Cashier from drawing any check or draft for any balance due to said Bank.

Embezzlement of property of Bank, or of property in deposit, by an officer of the Bank, shall be deemed larceny.

SECT. 21. *Be it further enacted*, That any President, Director, Cashier, or other officer or servant of any Bank incorporated in this State for the purpose of issuing bills or notes, who shall embezzle or fraudulently convert to his own use, or fraudulently take or secrete with intent to convert to his own use, any money, note, bill, obligation, security, bullion or effects of and belonging to such Bank and in its possession or belonging to any person or persons, or body or bodies politic or corporate and deposited in such Bank, and every person assisting and aiding therein, being thereof duly convicted in any Court of this State, having jurisdiction of such offence, shall be deemed in so doing to have committed the crime of larceny—shall be punished by solitary imprisonment in the State Prison for a period not exceeding one year, and by confinement afterwards to hard labor in the State Prison for a period not less than three years, nor exceeding ten years, according to the degree and aggravation of the offence.

Punishment.

Cashier to make return of the state of Bank, when required by the Governor.

SECT. 22. *Be it further enacted*, That the Cashier of every Bank shall make a return of the state of such Bank as it existed at two o'clock P. M. of the first Saturday in any month, whenever thereto required by the Governor, and shall transmit the same to the office of the Secretary of State, within such time as shall be directed by the Governor in his requisition aforesaid; which return shall specify the amount due from the Bank, designating in distinct columns the several particulars included therein, and shall also

specify the resources of the Bank, designating in distinct columns the several particulars included therein, and the said return shall be made in the following form, viz.

| | | | |
|--|------------------------|--|-----------------|
| Capital Stock, | Due from the Bank. | State of — Bank, on the first Saturday of —, 18. 2 o'clock P. M. | Form of return. |
| Bills in circulation, | | | |
| Net Profits on hand, | | | |
| Balances due to other Banks, | | | |
| Cash deposited including all sums whatsoever due from the Bank not bearing interest, its bills in circulation, profits and balances due to the other Banks excepted, | | | |
| Cash deposited bearing interest, | | | |
| Total amount due from the Bank, | Resources of the Bank. | | |
| Gold, Silver and other coined metals in its Banking House, | | | |
| Real Estate, | | | |
| Bills of other Banks incorporated in this State, | | | |
| Balances due from other Banks, | | | |
| Amount of all debts due, including notes, bills of exchange, and all stocks and funded debts of every description, excepting the balances due from other Banks, | | | |
| Total amount of the resources of the Bank, | | | |
| Rate and amount of the last dividend and when declared, | | | |
| Amount of reserved profits at the time of declaring the last dividend, | | | |
| Amount of debts due and not paid, and considered doubtful, | | | |

which return shall be signed by the Cashier of each Bank respectively, who shall make oath or affirmation before some magistrate qualified to administer oaths, to the truth of said return according to his best knowledge and belief. And the Cashier of every Bank shall also make return under oath whenever required by the Legislature, of the names of Stockholders and the amount of stock owned by each. And a majority of the Directors of each Bank, shall certify and make oath or affirmation before the same magistrate as their respective Cashiers, that the books of such Bank indicate the state of facts so returned by their Cashier, and that they have full confidence in the truth of the return so by him made.

Return to be signed and sworn to by Cashier.

Cashier to return names of Stockholders when required by Legislature.

Certificate and oath by a majority of Directors.

SECT. 23. *Be it further enacted,* That the Secretary of State be, and he hereby is authorized and directed to procure at the expense of the Secretary to furnish Banks with blank re-

turns in March or April annually.

State, printed copies of the form of the first return required by this Act, and to furnish four such copies of the same, to the Cashier of every Bank in the months of March or April annually.

Abstract from returns to be prepared and printed.

Copy to be sent to Cashier of each Bank.

SECT. 24. *Be it further enacted,* That it shall be the duty of the Secretary of State, after he shall have received the returns from the several Banks, made on the first Monday of June in each year as aforesaid, to cause to be prepared and printed a true abstract from those returns, each column to be footed up, as soon as practicable after they shall have been received, and the Secretary shall transmit by mail one copy thereof to the Cashier of each Bank incorporated by authority of this State.

Bank now established may be continued 16 years from first Monday in Oct. 1831.

SECT. 25. *Be it further enacted,* That the President, Directors and Company of any Bank established by the authority of this State on application to the present Legislature, or any Legislature which may hold a session previous to the expiration of any charter heretofore granted and with the assent thereof, shall be authorized to continue its operations as a Banking Company for the further period of sixteen years, from and after the first Monday of October next, with all the powers and privileges, and subject to all the duties and requirements of this Act.

Bills of \$100 and less to be impressed from Perkins' stereotype plate.

SECT 26. *Be it further enacted,* That no bill or note of the denomination of one hundred dollars or less shall be issued by any Bank aforesaid, unless the same shall be impressed from Perkins's stereotype plate: *Provided,* That no greater sum than one cent shall be charged for each bill, impressed from the class of plates on which is the fine writing, nor more than two cents for bills of either of the other classes—but the Legislature may at any time hereafter authorize and require the use of any other plates.

Aggregate of debts due from Directors.

SECT. 27. *Be it further enacted,* That the aggregate of all the debts due from the Directors of any Bank, or any of them as principals, endors-

ers, or sureties shall not at any one time exceed thirty-three and one third per cent. of the Capital Stock. And no Stockholder in any Bank, shall at any one time hold and own more than twenty per cent. of the Capital Stock.

Amount any Stockholder may own.

SECT. 28. *Be it further enacted,* That in case of any loss or deficiency of the capital stock in any Bank aforesaid, which shall arise from the official mismanagement of the Directors, the persons who are Directors at the time of such mismanagement shall in their private and individual capacities be respectively liable to pay the same; and in case of their inability to pay such loss or deficiency, the persons who are Stockholders at the time of such official mismanagement shall be liable in the same manner as Directors: *Provided however,* That in no case shall any one Stockholder be liable to pay a sum exceeding the amount of the stock actually then held by him. *And Provided further,* That the liability of such Stockholder as aforesaid, shall not continue beyond the term of one year from and after the time he shall have duly transferred his stock, pursuant to the provisions of this Act.

Directors liable to pay loss arising from official mismanagement.

Stockholders liable and how far.

Liability to continue one year after transfer of stock.

SECT. 29. *Be it further enacted,* That the holders of stock in any Banking corporation aforesaid in this State, when its charter shall expire, shall be chargeable in their private and individual capacities, and shall be holden for the payment and redemption of all bills which may have been issued by said corporation, remaining unpaid, in proportion to the stock they may respectively hold: *Provided however,* That this liability shall continue for the term of two years only from and after notice given in the newspaper, which shall publish the laws of the State, that such charter has expired.

Liability of Stockholders at expiration of charter.

SECT. 30. *Be it further enacted,* That any Stockholder of any bank, who shall have been obliged to pay any debt or demand against said bank out of his individual property, shall have a

Remedy of Stockholder, who has been

obliged to pay
debt of Bank
out of his pri-
vate property.

bill in equity, originally to be tried in the Supreme Judicial Court, to recover of the Directors through whose official mismanagement such liability was incurred, if any, or if not through their mismanagement, to recover the proportional parts of such sums of money as he may have so paid, from the other Stockholders, who may be liable for the same, and such damages and costs as the Court may decree, and said bill in equity may be inserted in a writ of attachment or original summons.

Commission-
ers to be ap-
pointed by
Governor and
Council to ex-
amine Banks.

SECT. 31. *Be it further enacted,* That the Governor with the advice of Council, be authorized and directed to appoint two Commissioners, whose duty it shall be at least once a year, and as much oftener as the Governor and Council shall deem it expedient, to inquire into and examine the doings and transactions of the several incorporated Banks in this State, and generally to ascertain the State and condition of the same and whether there has been any departure by brokerage or otherwise from the ordinary business of Banking associations; and said Commissioners shall make report of their doings to the Governor and Council, to be laid before the Legislature.

Their duties.

Powers of the
Commission-
ers.

SECT. 32. *Be it further enacted,* That the Commissioners appointed by the Governor and Council, as aforesaid, shall have a right to examine into the doings of any Banking corporation, chartered under the authority of this State, with power to send for persons, books and papers, and shall have free access to all their books and vaults, and if upon such examination it shall be found and after a full hearing of said corporation thereon, be determined by the Legislature, that said corporation have exceeded the powers granted them, or failed to comply with any of the rules, restrictions and conditions provided in the laws relating to them, their charter may thereupon be declared forfeit and void; and if any officer of any Bank or other person having charge of the books and

Legislature
may declare
charter forfeit
in certain cas-
es.

property of any Bank, shall refuse or neglect to exhibit said books and property, or shall in any way obstruct said examination by Commissioners as aforesaid, he or they so offending shall be guilty of a misdemeanor, and on conviction thereof shall be punished by a fine not exceeding ten thousand dollars, or imprisonment at hard labor for a term not less than one nor more than ten years, or by fine and imprisonment, as aforesaid, at the discretion of the Court.

Officer refusing to exhibit books to Commissioners, or obstructing examination by them, to be deemed guilty of misdemeanor.

Punishment.

SECT. 33. *Be it further enacted,* That if at any time any Banking corporation shall refuse or neglect to pay any of its bills when duly presented at its Banking house for payment in banking hours, or to pay any deposits made by any person or persons on demand, and shall for the space of fifteen days thereafter neglect to pay or tender payment of such bills and deposits, the holder or holders of such bills and the person or persons making said deposits may make complaint thereof in writing to any Judge of the Supreme Judicial Court, whose duty it shall be thereupon to cause the President and Cashier of such Bank, to be notified to appear before him at such time and place as he may appoint, to answer to such complaint and shew cause against further proceedings thereon; and if said President or Cashier shall not appear, or appearing shall not shew sufficient cause against further proceedings, it shall be the duty of such Judge thereupon, to appoint three disinterested and discreet Commissioners, who shall give bond with sufficient sureties for the faithful discharge of their trust, to the satisfaction of such Judge, in such sum as he shall determine, to take into their custody and possession all the books, papers, property and estate of such corporation, and such Commissioners or the major part of them, shall thereby be authorized to demand and receive of the President, Directors and Cashier of any such Bank, all its real and personal estate, with all the books and evidences of debts

What proceedings when Bank unable to pay its debts.

Commissioners may be appointed to settle affairs of Bank—must give bond.

Their powers and duties.

due to such Bank, making and delivering to such President, Directors and Cashier, or either of them, accurate lists and memoranda of such estate, books and debts, and it shall be the duty of such Commissioners, or the major part of them, and they are hereby authorized forthwith to dispose of such estate and collect such debts, and pay the demands against such corporation.

SECT. 34. *Be it further enacted,* That such Commissioners, or the major part of them, shall be authorized and empowered to sell at public auction, after giving thirty days public notice of such sale, any real estate belonging to such corporation and any mortgages upon real estate due to such corporation, and to make and deliver in the name of such corporation any deed or other instrument necessary to the due and complete transfer and conveyance of such estates and mortgages, and said Commissioners, or the major part of them, shall further be authorized to collect all debts due and owing to such corporation, and to commence and prosecute in the name of the corporation, or in their capacity as Commissioners as aforesaid, any action necessary to the collection of such debts: *Provided,* That so soon as such Commissioners shall have realized from the property of the corporation a sum sufficient to pay all its debts, their power shall cease, and it shall be their duty to surrender to such corporation, all the remaining property and estates, together with all the books and papers belonging to it.

May sell real estate of Bank and mortgages after thirty days' notice.

May maintain suits for collection of debts.

When their powers shall cease.

Compensation of Commissioners.

SECT. 35. *Be it further enacted,* That such Commissioners shall be entitled to retain to their own use for their services, such sum as may be agreed upon between them and such corporation, and in case of disagreement such sum as shall be determined by any one of the Justices of the Supreme Judicial Court.

SECT. 36. *Be it further enacted,* That if the President, Directors or Cashier of any such Bank, shall upon demand made by such Commissioners, refuse or neglect to surrender to them all the

books, papers, property, estates and demands of such corporation, such President, Directors and Cashier so refusing and neglecting, shall thereupon severally become liable in their individual capacity for the payment of all debts due from such corporation, and any creditor to such corporation may have and maintain his action against such President, Directors and Cashier or either of them, to recover in their individual capacity, the amount of his just demand against such corporation.

Officers of Bank liable in their individual capacity for debts of corporation, if they refuse to surrender property and papers to Commissioners.

SECT. 37. *Be it further enacted,* That such Banks in this State, as now exist and whose charters shall not be renewed or extended according to the provisions of this act, shall continue corporate for and during two years from the time when their charters shall respectively expire, for the sole purpose of collecting their debts, selling and conveying their property and estate, and remaining liable for the payment of all debts due from such corporation, and in being capable of prosecuting and defending suits at law, and of choosing Directors for the purpose aforesaid and for closing their concerns.

Banks whose charters are not renewed or extended to continue corporate two years for purpose of closing their concerns.

SECT. 38. *Be it further enacted,* That no Acts, or parts of Acts, inconsistent with the provisions of this Act, shall have effect upon, or in any way apply to the Banks, which may hereafter be incorporated, or whose charters may hereafter be extended, after the time when such incorporation or extension shall take effect: *Provided,* That nothing herein contained shall be construed to repeal any of the provisions of an Act entitled "An Act to prevent frauds in the business of Banks, and of public officers and trusts," passed the twenty-sixth day of February, in the year of our Lord one thousand eight hundred and twenty-five: *Provided also,* That this Act shall be in force and take effect from and after the first day of October next.

Act passed February 23, 1825, not repealed.

This Act. in force after October 1, 1831.

[Approved by the Governor, March 31, 1831.]