

when such order or decree shall be made, the said executor or executors, trustee or trustees, or the survivors or survivor, may sell and convey or mortgage said lands and real estate, or such part thereof as may be necessary for the purpose, free, clear and discharged of any interest of said owners therein, and the proceeds of said sale or mortgage shall be applied to the payment and satisfaction of said taxes or assessments, and the surplus, if any, to be held by said executor or executors, trustee or trustees, subject to the provisions of said will or deed relating to said lands and real estate, in such manner as the chancellor shall direct.

Proceeds of sale,
how applied.

72. SEC. 2. That all acts or parts of acts inconsistent herewith be and the same are hereby repealed, and that this act shall take effect immediately.

Repealer.

An act in relation to certain sales of lands, tenements, hereditaments or real estate, under any order, judgment or decree of any court of this state, or by any executor, trustee, assignee or other officer.

Approved May 16, 1894. P. L. 1894, p. 369.

WHEREAS, The provisions heretofore in force relative to the advertisement of sales of lands, tenements, hereditaments or real estate have not been in certain cases in all respects complied with, whereby the titles to certain lands, tenements, hereditaments or real estate are or may be alleged to be defective or uncertain ;

Preamble.

73. SEC. 1. That no sale of any lands, tenements, hereditaments or real estate made before this act goes into effect, under any order, judgment or decree of any court of this state, or by any executor, trustee, assignee or any other officer shall be invalidated by reason of any omission to advertise such sale, or any adjournment thereof, in the manner and for the length of time theretofore required by law, or by reason of any other irregularity or default in such advertisement ; but the purchaser of such lands, tenements, hereditaments, or real estate, having paid the price thereof, and having received his or her deed therefor, and his or her heirs and assigns, shall be deemed to have as good and complete a title thereto as if such sale or adjournment had been in all particulars advertised. (1)

Sales shall not be
invalidated by
failure to
advertise, &c.

(1) It has not been deemed necessary to print all the acts validating sales of land. They will be found in the "omitted list," in "Appendix," at the end of the third volume of this work, under the title SALES OF LANDS.

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I. Savings banks.

An act concerning savings banks.

Approved April 21, 1876.

P. L. 1876, p. 341.

General corporate powers.

1. That all savings banks or institutions for savings hereafter to be organized under and by virtue of this act, are hereby declared to be corporations, possessed of the powers and functions of corporations generally; and that, as such, each of them shall have power :

- I. To have perpetual succession by its corporate name ;
- II. To sue and be sued, complain and defend, in any court of law or equity ;
- III. To make and use a common seal, which may be affixed by making an impression directly on the paper, and to alter the same at pleasure ;
- IV. To appoint such officers, managers and agents as the business of the corporation may require ;
- V. To make by-laws not inconsistent with the laws of this state or of the United States, for the management of its property and the regulation of its affairs ;
- VI. To contract and be contracted with ;
- VII. To receive money on deposit, to invest the same, and further transact the business of a savings bank, as hereinafter provided ;
- VIII. To exercise any corporate powers necessary to the exercise of the powers above enumerated and given.

2. That any number of persons, not less than thirteen, may associate themselves together, for the purpose of organizing a savings bank, in accordance with the provisions of this act ; but at least three-fourths of such number of persons shall reside in the county where the proposed bank shall be located, and shall be freeholders in this state.

3. That such persons, under their hands and seals, shall execute a certificate, in which shall be set forth :

Number of persons required to form organization.

Certificate of organization.

I. The name assumed to distinguish such association, and to be used in its dealings, which shall be, in no material respects similar to the name of any other savings banks, organized and doing business in this state ;

II. The place where its business is to be transacted, designating the particular city, town or village ;

III. The name, residence (if in any city, the street and number), occupation and post-office address of each member of such association ;

IV. A declaration that each member of such association will accept the responsibilities, and faithfully discharge the duties of a trustee in such institution, when authorized according to the provisions of this act.

4. That such certificate shall be executed in duplicate, and be duly acknowledged before any officer of this state authorized to take the acknowledgment and proof of deeds in this state, and shall, within sixty days after such acknowledgment, be filed, one copy in the office of the county clerk of the county wherein such savings bank is proposed to be located, and one copy in the office of the secretary of state of this state.

Duplicate certificates to be filed.

5. That a notice of intention to organize such savings bank shall be published, at least once a week, for four weeks previous to filing the certificate of association, as provided in the last preceding section, in at least one newspaper published and circulating in the city, town or village where such savings bank is proposed to be located ; or if there be no newspaper published and circulating in such city, town or village, then in some newspaper published and circulating in said county ; if none in said county, then in an adjoining county ; which notice shall specify the names of the proposed corporators, the name of the proposed savings bank, and the location of the same, as set forth in the certificate of association, and if there is any savings bank or banks organized and doing business in said county, a copy of such notice shall also be sent to each of such savings banks, so organized and doing business, at least fifteen days before the filing of such certificate of association, as provided for in the last preceding section.

Notice of intention to organize required to be published.

6. That upon the receipt of any such certificate of association at the office of the secretary of state, if the same is in due form and duly executed and acknowledged, according to the provisions of sections three and four of this act, and is accompanied by evidence satisfactory to the said secretary of the proper publication and service, in good faith, of the notice required in the last preceding section, he shall forthwith indorse the same, over his official signature, "filed for examination," with the date of such indorsement.

Secretary of state to indorse and file certificate.

7. That if such certificate shall not be in form and substance as required by sections two and three of this act, or shall not be duly and properly acknowledged, as required by section four of this act, or shall not be accompanied by evidence, satisfactory to the said secretary, of the publication and service in good faith, according to the intent and purpose of this act, of the notice required by section five of this act, the said secretary shall refuse to file such certificate, until the same shall be amended in conformity to the provisions of this act.

Certificate not to be filed until made in conformity with provisions of this act.

8. That there shall be a state board, consisting of the governor, secretary of state and comptroller, and it shall be the duty of said state board, and that they shall have power, in regard to any certificate of association, so filed by said secretary of state, as hereinbefore provided, to ascertain from the best sources of information at their command :

State board, how constituted.

I. Whether greater convenience of access to a savings bank will be afforded to any considerable number of depositors by opening a savings bank at the place designated in such certificate.

Duties of the board.

II. Whether the density of the population in the neighborhood designated for such savings bank, and in the surrounding country, affords a reasonable promise of adequate support to the enterprise.

III. Whether the responsibility, character and general fitness for the discharge of the duties appertaining to such a trust of the persons named in such certificate are such as to command the confidence of the community in which such savings bank is proposed to be located.

State board may issue certificate of authorization, &c.

9. That if the said state board shall be satisfied from their knowledge, or from information gained, concerning the several points named in the last preceding section, that the organization of a savings bank, as proposed in such certificate, will be a public benefit, they shall, within sixty days after the same has been filed by said secretary of state for examination, issue, under their hand, a certificate of authorization to the persons named in such certificate, or to them or to a portion of them, together with such other persons duly qualified by section two of this act, as a majority of those named in such certificate of association shall in writing approve; which certificate so issued by them shall authorize the persons named therein to open an office for the deposit of savings as designated in the certificate of association, subject to the provisions of this act; *provided, however,* that no person shall be named in such certificate of authorization who shall not have duly made and acknowledged the declaration prescribed in subdivision four of section three of this act.

Proviso.

Certificate of authorization to be transmitted by the secretary of state.

10. That the secretary of state shall transmit such certificate of authorization to the county clerk of the county in which the savings bank so authorized is to be located, who shall file the same, and attach it to the certificate of association previously filed by him, relating to the organization of such savings bank; and the said secretary shall also file a duplicate copy of such certificate in his own office.

State board may refuse to issue certificate.

11. That if the said state board shall not be satisfied that the establishment of a savings bank, as proposed in any certificate of association filed by said secretary of state, is expedient and desirable, they shall, within sixty days after the filing of such certificate, give notice to the county clerk of the county in which such savings bank is proposed to be located, that the said state board refuses to issue a certificate of authorization for such savings bank; which notice shall forthwith be filed by the said county clerk, with the certificate of association of such savings bank.

Upon filing such certificate, persons named therein constituted a body corporate.

12. That upon the filing of any certificate of authorization of a savings bank, as hereinbefore provided, the persons named therein, and their successors shall thereupon and thereby, be duly and lawfully considered and constituted a body corporate and politic, and shall be vested with all the powers, and charged with all the liabilities conferred and imposed by this act.

When to receive deposits.

13. That before any savings bank, so incorporated, shall be authorized to receive deposits, such corporation shall transmit to the secretary of state the name, residence and post-office address of each of the officers of such savings bank, and the place where its business is to be carried on, designating the same by street and number, when practicable.

When notice to be given of organization and commencement of business.

14. That any savings bank so incorporated, shall notify the secretary of state of the fact of organization, and the date of commencement of business, and that any savings bank so incorporated, that shall not organize and commence business and give such notice within one year after the certificate of authorization of the same has been filed, as hereinbefore provided, shall forfeit its rights and privileges as a corporation under this act; but the said state board may, for satisfactory cause to them shown, extend the term within which such organization may be effected and such business commenced, but not for a longer period than one year; and the order so extending such term shall be under their hands, and shall be transmitted to the county clerk of the county in which such savings bank is to be located, who shall file the same, together with the certificate of association and the certificate of authorization of such savings bank.

First managers.

15. That the persons named in the certificate of authorization, issued pursuant to the provisions of this act, shall be the first managers of such corporation, and shall have the entire management and control of all the affairs of the corporation, subject to the provisions of this act.

Board of managers to elect officers.

16. That the business of every such corporation shall be managed and directed by a board of managers of not less than nine, who shall elect from their number a president and a vice president, and shall elect or appoint from their own number, or otherwise, such other officers as they may see

fit; and all vacancies in such board, by death, resignation or otherwise, shall be filled by the board of managers, on approval by the state board, with persons duly qualified by section two of this act, as soon as practicable, at a regular meeting after such vacancies shall occur.

Vacancies, how filled.

17. That the board of managers of any such corporation shall have power, from time to time, to make such by-laws, rules and regulations, as they may think proper, for the election of officers, for prescribing their respective powers and duties, and the manner of discharging the same; for the appointment and duties of committees, and, generally, for transacting, managing and directing the affairs of the corporation; *provided*, such by-laws, rules and regulations are not repugnant to nor inconsistent with the provisions of this act, the constitution and laws of this state, or of the United States; and a copy of the same shall be transmitted to the secretary of state, who shall also be notified of any amendment or change therein, and who shall file the same in his office.

May make by-laws, &c.

Proviso.

18. That regular business meetings of the board of managers shall be held as often as once in three months, for the transaction of business; and that a quorum, at any regular, special or adjourned meeting, shall consist of not less than two-thirds of the board of managers, of whom the president shall be one, except where he is prevented from attending any meeting by illness, or other unavoidable detention, when he may be represented, in forming a quorum, by the vice president, who, in case of his absence, for like cause, may be represented by a president pro tempore; but that less than a quorum shall have power to adjourn from time to time, or until the next regular meeting.

Business meetings of managers.

Quorum.

19. [Amended by SEC. 68, *post.*]

20. That the managers of any such corporation shall have the power to require from the officers, clerks and agents of the corporation such security for their fidelity and the faithful performance of their duties as they shall deem necessary, and to fix the salaries of such officers and agents, subject to the provisions of this act.

May require security from officers, &c.

21. That no manager of any such corporation shall have any interest whatever, direct or indirect, in the gains or profits thereof, except as a depositor, nor directly or indirectly, receive any pay or emolument for his services, except as hereinafter provided; and that no manager or officer of any such corporation shall, directly or indirectly, for himself or as the agent, trustee or partner of others, borrow any of its funds or deposits, or in any manner use the same, except, to make such current and necessary payments as are authorized by the board of managers; and that no manager or officer of such corporation shall become an indorser, surety or obligor, in any manner whatsoever, for any moneys loaned by or borrowed from such corporation.

Manager not to have any interest in gains or profits except as a depositor.

22. That it shall be lawful for any savings bank to receive on deposit any sum or sums of money that may be offered for that purpose by any person or persons, or by any corporations or societies, or by direction of any court of record in this state, and to invest the same, and to declare, credit and pay dividends thereon, as hereinafter authorized and provided and not otherwise.

Deposits.

23. That the sums so deposited, together with any dividends or interest credited thereto, shall be repaid to such depositors, respectively, or to their legal representatives, after demand, in such manner, and at such times, and after such previous notice, and under such regulations as the board of managers shall prescribe, which regulations shall be put up and posted in some conspicuous place in the principal room where the business of such corporation shall be transacted, and shall be printed in the pass-books or other evidence of deposit furnished by the corporation, and shall be evidence between the corporation and the depositors holding the same, of the terms upon which the deposits therein acknowledged are made; *provided*, that every such corporation shall have the right to limit the aggregate amount which any one person or society may deposit to such sum as they may deem it expedient to receive; and may, in their discretion, refuse to receive a deposit, and may also, at any time, return all or any part of any

Repayment of money to depositors.

Proviso.

Aggregate amount of deposit not to exceed \$5,000.

Proviso.

Minors and married women may make deposits free from any control save lien of creditors.

Proviso.

When wife may testify as a witness.

Investment of deposits.

Investment of deposits in real estate.

deposit; nor shall the aggregate amount of such deposits to the credit of any one individual or corporation at any time exceed five thousand dollars, exclusive of accrued interest, unless such deposit was made prior to the passage of this act, or pursuant to the order of a court of record or of a surrogate; *and provided also*, that no such corporation shall be required to receive on deposit a less sum than one dollar; nor to allow interest on the fractional part of one dollar, nor for the fractional part of a month; whenever any person indebted to any such corporation shall deposit moneys therein, for the purpose of raising a fund for the payment of such indebtedness, the managers shall have the power, in their discretion, to allow interest on such deposits from the time the same are made.

24. That whenever any deposit shall be made by or in the name of any person being a minor, or a female being or thereafter becoming a married woman, the same shall be held for the exclusive right and benefit of such depositor, and free from the control or lien of all persons whatsoever, except creditors, and shall be paid, together with the dividends or interest thereon, to the person in whose name the deposit shall have been made, and the receipt or acquittance of such minor or female shall be a valid and sufficient release and discharge for such deposit, or any part thereof, to the corporation; whenever any deposit shall be made by any person in trust for another, and no other or further notice of the existence and terms of a legal and valid trust shall have been given in writing to the bank, in the event of the death of the trustee, the same or any part thereof, together with the dividends or interest thereon, may be paid to the person for whom the said deposit was made, or to his or her legal representatives; *provided*, that no minor shall withdraw any deposit in his or her name, actually made by any person other than such minor, without the consent in writing of the person actually making such deposit, or his or her legal representative.

25. That in all actions in any court in this state against any savings bank by a husband to recover for moneys deposited by his wife, in her own name, or as her own money, the wife may be examined and testify as a witness in like manner as if she were an unmarried woman.

26. That it shall be lawful for the managers of any savings bank to invest the moneys deposited therein only as follows, to wit [see Sec. 85, *post*]:

I. In the stocks or bonds or interest-bearing notes or obligations of the United States, or those for which the faith of the United States is distinctly pledged to provide for the payment of the principal and interest thereof;

II. In the interest-bearing bonds of this state;

III. In the bonds of any state in the Union that has not, within ten years previous to making such investment by such corporation, defaulted in the payment of any part of either principal or interest of any debt authorized by any legislature of such state to be contracted;

IV. In the stocks or bonds of any city, county, town or village of this state, issued pursuant to the authority of any law of this state, or in any interest-bearing obligations issued by the city in which such bank shall be situated;

V. In bonds secured by mortgages which shall be a first lien on real estate situate in this state and worth at least twice the amount loaned thereon; but not to exceed seventy per centum of the whole amount of deposits shall be so loaned or invested; but, in case the loan is on unimproved or unproductive real estate, the amount loaned thereon shall not be more than thirty per centum of its actual value; and no investment in any bond and mortgage shall be made by any savings bank, except upon the report of a committee, to consist of at least three managers, charged with the duty of investigating the same, and a majority of which committee shall certify to the value of the premises mortgaged or to be mortgaged, according to their best judgment; and such report shall be filed and preserved among the records of the institution.

VI. In real estate, strictly in accordance with the following provisions:

(A) A plot whereon is erected, or may be erected, a building or buildings requisite for the convenient transaction of its business, and from por-

tions of which not required for its own use a revenue may be derived ; the cost of such building or buildings and lot shall in no case exceed fifty per centum of the net surplus of such corporation, except by written permission of the said state board.

(B) Such as shall have been purchased by it at sales upon the foreclosure of mortgages, owned by such corporation, or upon judgments or decrees obtained or rendered for debts due to it, or in settlements effected to secure such debts ; and all such real estate mentioned in the last preceding clause in this subdivision shall be sold by such corporation within five years after the same shall have been so purchased, unless upon application by the board of managers the state board shall extend the time within which such sale shall be made ; and it shall be lawful for any such corporation, with the approval in writing of the said state board, to change its location within the limits of any city or town wherein it may be established, and in effecting such change of location, such corporation owning a banking-house or lot may purchase such additional plot, under the provisions of subdivision (A) of this section, as the corporation may require ; and such banking-house and lot previously owned and occupied shall be sold as provided in subdivision (B) of this section concerning real estate acquired in satisfaction of debts.

27. [Amended by Sec. 69, *post.*]

28. That it shall further be lawful for any such corporation to deposit temporarily in banks, as provided in the last preceding section of this act, the excess of current daily receipts over the payments, until such time as the same can be judiciously invested in the securities named in section twenty-six of this act ; and whenever it shall appear to the state board that the managers of any such corporation are violating the spirit and intent of the provision of this and the preceding section, by keeping permanently uninvested all, or an undue proportion, of the moneys received by them, it shall be their duty to report the facts to the attorney-general, who shall proceed against such corporation, under the provisions of section forty-four of this act.

May make deposits temporarily in banks.

29. That it shall not be lawful for the managers of any savings bank to loan the moneys deposited with them, or any part thereof, upon notes, bills of exchange, drafts, or any other personal securities whatever ; and, in all cases of loans upon real estate, a sufficient bond, secured by a mortgage on said real estate, shall be required of the borrower ; and all the expenses of searches, examinations and certificates of title or appraisals of value, and of drawing, perfecting and recording papers, shall be paid by such borrower.

Deposits not to be loaned on notes, bills of exchange, &c.

30. That whenever any building or buildings are included in the valuation of any real estate, upon which a loan shall be made by any such corporation, the same shall be insured by the mortgagor in such company or companies as the managers shall approve, and the policy or policies of insurance shall be duly assigned, or the loss made payable, as interest may appear, to such corporation ; and it shall be lawful for such corporation to renew such policy or policies of insurance in the same, or in any other company or companies, as it may elect, from year to year, or for a longer or shorter term, in case the mortgagor shall neglect to do so, and may charge the amount paid to the mortgagor ; and all necessary charges and expenses paid by such corporation for such renewal or renewals, shall be paid by such mortgagor to such corporation, and shall be a lien upon the property so mortgaged, recoverable with interest from the time of payment, as part of the moneys secured to be paid by such mortgage.

Policies of insurance to be assigned by mortgagors.

31. That it shall be unlawful for any savings bank, directly or indirectly, to deal or trade in real estate, in any other case or for any other purpose than as authorized in section twenty-six of this act, or to deal or trade in any goods, wares, merchandise or commodities whatever, except as authorized by the terms of this act, and except such personal property as may be necessary in the transaction of its business ; and it shall be unlawful for any savings bank, or for any officer, in his regular attendance upon the business of such bank, in any manner, directly or indirectly, to

Dealings or trading prohibited except as provided for in act.

engage in the business, in such bank, of buying or selling exchange, gold or silver, or in the business of buying or selling or collecting promissory notes or time-bills of exchange; but this section shall not be taken to apply to the managers of any savings bank, acting in their private capacity.

Rate of interest
or dividends to
depositors.

32. That it shall be the duty of the managers of every such corporation, to regulate the rate of interest or dividends, not to exceed six per centum per annum, upon the deposits therewith, in such manner that depositors shall receive, as nearly as may be, all the profits of such corporation, after deducting necessary expenses and reserving such amount as the managers may deem expedient, as a surplus fund for the security of depositors, which, to the amount of fifteen per centum of their deposits, the managers of any such corporation are hereby authorized gradually to accumulate and to hold, to meet any contingency or loss in its business, from the depreciation of its securities or otherwise; *provided, however,* that the managers of any such corporation may classify their depositors according to the character, amount and duration of their dealings with the corporation, and regulate the interest or dividends allowed, in such manner that each depositor shall receive the same ratable proportion of interest or dividends as all others of his class; it shall be unlawful for the managers of any savings bank to declare or allow interest on any deposits for a longer period than the same has been deposited, except that deposits, made not later than the third day of the month commencing any interest period, may have interest declared upon them for the whole of the period or month when so deposited; no dividends or interest shall be declared, credited or paid, except by the authority of a vote of the board of managers duly entered upon their minutes; it shall be the duty of the managers of any such corporation, whose surplus amounts to fifteen per centum of its deposits, at least once in three years, to divide equitably the accumulation beyond such authorized surplus, as an extra dividend to depositors, in excess of the regular dividends hereinbefore authorized.

Proviso.

Per centum of
surplus, how
determined.

33. That in determining the per centum of surplus held by any savings bank, its interest-paying bonds shall be estimated at their market value; *provided,* such value shall not be greater than the face value thereof; its bonds and mortgages, on which there are no arrears of interest for a longer period than one year, shall be estimated at their face value; and its real estate at not above cost; concerning such stocks or bonds and mortgages as are in arrears of interest for one year or more and concerning all other investments not herein enumerated, the state board shall determine the valuation of the same, from the best information they can obtain, and they may change the valuation thereof, from time to time, according as they may obtain other and further information.

Proviso.

34. [Amended by Sec. 70, *post.*]

Managers to
examine books
and vouchers.

35. That it shall be the duty of the managers of every savings bank, by a committee of not less than three of such managers, on or about the first day of January in each year, to thoroughly examine the books, vouchers and assets of such savings bank and its affairs generally, and the statement or schedule of assets reported to the secretary of state for the first day of January in each year shall be based upon such examination, and shall be verified by the oath or affirmation of a majority of the managers making such examination; but nothing herein contained shall be so construed as to prohibit the managers of any savings bank from requiring such examination at such other times as they may prescribe.

Annual report to
be made to the
secretary of state.

36. That every such corporation shall, on or before the first day of February in each year, make a report in writing to the secretary of state, and in such form as the state board shall prescribe, of its condition on the first day of the month preceding such report.

Amount loaned
upon bonds and
mortgages, &c., to
be stated in the
reports.

37. That such reports shall state the amount loaned upon bond and mortgage, together with a list of all bonds and mortgages upon which the interest has been in arrear for six months; the cost, par value and estimated market value of all investments, designating each particular kind of security; the amount loaned upon the pledge of securities, with a statement of securities held as collateral for such loans; the amount invested

in real estate, giving the cost of the same; the amount of cash on hand and on deposit in banks, with the names of such banks and the amount deposited in each, and such other reasonable information as the state board may require.

38. That such report shall also state all the liabilities of such savings corporation on the morning of the said first day of January, the amount due to depositors, which shall include any dividend to be credited to them for any interest period ending on the day preceding that day; and any other debts or claims against such corporation which are or may be a charge upon its assets, excepting claims for current expenses not to exceed the sum of three hundred dollars; such report shall also state the amount deposited during the twelve months previous, and the amount withdrawn during the same period; the whole amount of interest or profits received or earned, and the amount of dividends credited to depositors; the number of accounts opened or re-opened, the number closed during that period, and the number of open accounts at the end of that period, and such other reasonable information as may be required by the said state board.

Report shall state all liabilities, &c.

39. That such report shall be verified by the oath or affirmation of the two principal officers of the institution, and the statement of assets shall be verified by the oath or affirmation of a majority of the committee of managers who examined the same, pursuant to the requirements of section thirty-five of this act; and any willful false swearing in regard to such reports, or in regard to any reports made to the secretary of state, pursuant to the provisions of this act, shall be deemed perjury, and shall be subject to the prosecutions and punishments prescribed by law for that offense.

Report to be verified by oath.

40. That if any savings bank shall fail to furnish to the secretary of state any report or statement required by this act, at the time so required, the managers of such bank shall personally forfeit the sum of one hundred dollars per day for every day such report or statement shall be so delayed or withheld; and the said secretary of state may maintain an action against such managers jointly in his name to recover such penalty, and when collected, the same shall be paid into the treasury of this state; but the said state board may, for sufficient cause shown, extend the time for making such report not exceeding thirty days.

Penalty for failure to furnish report.

41. That no such corporation shall hereafter be required to make any annual or other report to the legislature, nor to the mayor or commonalty of any city, nor to the board of freeholders of any county, nor to any other officer or authority whatsoever, except as in this act provided and required; nor be subject to the inspection or supervision of any local officer or board, nor to any interference from any such local officer or board in any matters pertaining to the business or dealings of such corporation.

Annual report to legislature, &c., not required, except as provided.

42. That it shall be the duty of the secretary of state, on or before the fifteenth day of February in each year, to communicate to the legislature a statement of the condition of every such corporation, from which a report has been received for the preceding year; and also the name and location of savings corporations, authorized by the state board, during the previous year, with the date of their incorporation, and particularly describing those incorporated at any time, which have commenced business during the previous year.

Secretary of state to make a statement of the condition of corporations.

43. That it shall be the duty of the secretary of state to visit and examine every savings corporation in this state at least once in two years, or whenever, in the judgment of the state board, its condition or management is such as to render an examination of its affairs necessary or expedient; the said secretary shall have power to administer an oath or affirmation to any person whose testimony may be required on any such examination, and to compel the appearance and attendance of any such person for the purpose of such examination, by summons, subpoena or attachment, in the manner now authorized in respect to the attendance of persons as witnesses in the courts of record of this state; and all books and papers which it may be deemed necessary to examine by the said secretary shall be produced, and their production may be compelled in like manner; whenever such special examination shall be made by the said secretary in person, no

Secretary of state to visit and examine savings corporations.

charge shall be made, except for necessary traveling and other actual expenses ; the result of any such examination shall be certified by the secretary of state upon the records of the corporation examined ; and the results of all the regular examinations, during the previous year, shall be embodied in the annual report of the secretary of state, required by this act to be submitted to the legislature.

Proceedings in case of violation of charter, &c.

44. That whenever it shall appear to the state board from any examination made under this act, or from the report made by any such corporation, pursuant to the requirements of sections thirty-six, thirty-seven, thirty-eight and thirty-nine of this act, that any such corporation has committed any violation of its charter or of law, or is conducting its business and affairs in an unsafe or unauthorized manner, the said state board shall, by an order, under their hands, direct the discontinuance of such illegal and unsafe or unauthorized practices, and shall insist upon a strict conformity with the requirements of the law, and with the safety and security of its transactions ; and whenever any such corporation shall refuse or neglect to make any such report, as is hereinbefore required, or to comply with any such order, as aforesaid, or whenever it shall appear to the said state board, that it is unsafe or inexpedient for any such corporation to continue to transact business, they shall communicate the facts to the attorney-general, who shall thereupon institute such proceedings as the nature of the case may require ; the proceedings instituted by the attorney-general may be for the removal of one or more of the managers, or for such other or further relief or correction as the particular facts communicated to him shall seem to require ; the court before which such proceedings shall be instituted, shall have power to grant such orders, and in its discretion, from time to time, to modify or revoke the same, as the evidence in the case, and the situation of the parties, and the interests involved shall seem to require.

In case of refusal or neglect to make report, &c.

45. [Amended by Sec. 77, *post.*]

Penalty for soliciting or receiving deposits by unauthorized corporations.

46. That it shall not be lawful for any bank, banking association, firm, stock company, corporation or individual banker, to advertise or put forth a sign as a savings bank, either directly or indirectly, or in any way to solicit or receive deposits as a savings bank, except in the case of banks or deposit companies now authorized by law to receive deposits on interest, or banks incorporated under this act ; and any bank, banking association or individual banker, that shall offend against these provisions, shall forfeit and pay for every such offense the sum of one hundred dollars for every day such offense shall be continued, to be sued for and recovered in the name of the people of this state, by the prosecutors of the pleas of the several counties, in any court having cognizance and jurisdiction thereof, for the use of the poor chargeable to said county in which such offense shall be committed.

Penalty for embezzlement.

47. That if any officer or employe of any savings bank shall embezzle any of the money, property, securities or choses in action belonging to such savings bank, or to its depositors, with intent to defraud such savings bank, or its depositors, or shall in any way fraudulently dispose of any such money, property, securities or choses in action, he shall be deemed guilty of a high misdemeanor, and upon conviction thereof, shall be liable to a fine not exceeding five thousand dollars, or imprisonment at hard labor not exceeding five years, or both.

Proceedings for changing name of corporation.

48. That whenever three-fourths of all the managers of any such corporation shall, by a resolution to be entered upon their minutes, express a desire and purpose to change the name of such corporation, the same may be effected in the manner following, to wit : notice of intention to apply to the state board for leave to change the name of such corporation, specifying the name thereof and the name to which it is proposed to change the same, shall be published as required in section five of this act ; after such publication application may be made to the said state board to change the name of such corporation to such name as has been agreed upon in such resolution and published in such notice, evidence of which resolution and publication must be made satisfactory to said state board

together with such application ; if it shall appear to the said secretary that it is expedient and proper that such change of name be made, they shall, by an order under their hands, direct and authorize such change of corporate name to be made, and designate some day in the future, not to exceed thirty days from the date of such order, when the said change shall take effect ; such order shall be executed in triplicate, one copy shall be transmitted to and filed in the office of the county clerk in the county in which such corporation is located, one copy shall be transmitted to the corporation affected thereby, and one copy shall be filed in the office of the secretary of state ; thereupon from the date designated in such order for such change of name to take effect, such corporation shall be known and described by the name designated in such order, and by such name shall have all the rights and powers to which it would be entitled if such change had not been made ; but no such change shall in any manner lessen or impair any liability of such corporation incurred or existing at the time such change of name shall be made.

49. [Repealed by Sec. 56, *post.*]

50. That all certificates or other evidences of deposit, made in pursuance of the regulations and usages of any such corporation, shall be as binding upon such corporation, as though made under its common seal.

Certificates of deposit.

51. That the misnomer of any such corporation in any deed, grant, contract, conveyance, or other instrument, shall not vitiate or impair the same, if the corporation be sufficiently described therein, to ascertain the intention of the parties.

Misnomer not to vitiate.

52. That any savings bank or savings institution now existing under any law of this state may come under and be subject to the provisions of this act in the same manner as if formed under the same, if such bank or institution make a certificate under the hands of the managers or directors, or a majority of them, of such bank or institution, that said bank or institution desires to come under the provisions and liabilities of this act, which shall be filed with the secretary of state, and shall procure the certificate of authorization from the state board in the manner and as required by this act, and such bank or institution, upon procuring such authorization, shall be free from the liabilities and provisions of the act under which such bank was formed ; *provided*, that nothing shall be held thereby to affect any transactions, liabilities and debts of any such bank or institution theretofore done, accrued or contracted.

Savings banks now existing under any law of this state may come under provisions of this act.

Proviso.

53. That any savings bank which has heretofore organized in this state under special act of incorporation by the legislature, which act has become inoperative and void by reason of failure to pay the assessment thereon as required by law, may take advantage of, receive the benefit of, and be incorporated under the provisions of this act ; *provided*, the said assessment be paid within three months after the passage hereof ; *and provided further*, that the said savings bank shall first execute and file a certificate according to the provisions of the second and third sections of this act, and thereupon the said savings bank shall be and is hereby authorized and empowered upon assuming all liabilities of said savings bank, to receive, hold, sue for and collect all the assets, rights of action, moneys, and effects of said savings bank, and further to continue the business of said savings bank, the same as if incorporated under this act.

Special acts incorporating savings banks which have become inoperative and void, may be incorporated under this act.

Proviso.

54. That all acts or parts of acts, or supplements thereto, inconsistent and conflicting with this act, are hereby repealed.

Repealer.

55. That this act is hereby declared to be a public act, and shall be construed favorably for every beneficial purpose therein contained, and shall take effect immediately.

Act to be favorably construed.

Amendatory act.

Approved March 8, 1877.

F. L. 1877, p. 91.

56. SEC. 1. That the forty-ninth section of the act to which this is an amendment, which section is in the following words :

“That this act shall not apply to any stock company or savings bank or savings institution already organized under special charters of this state

Section to be repealed rected.

before the thirty-first day of December, one thousand eight hundred and seventy-seven," be and the same is hereby repealed.

Act not to apply except to certain sections to banks under special laws.

57. SEC. 2. That the act to which this is an amendment shall not apply to any stock company or savings bank or savings institution already organized under special charters of this state, except as to sections sixteen, thirty-five, thirty-six, thirty-seven, thirty-eight, thirty-nine, forty, forty-two, forty-three, forty-four and forty-five, the provisions of which shall apply to such companies, banks or institutions: the said sections herein referred to being in the words following, to wit:

[See Secs. 16, 35, 36, 37, 38, 39, 40, 42, 43, 44, and 45, *ante*.]

Charters extended.

58. SEC. 3. That the charters of all savings banks or savings institutions which are not stock companies, which are now continuing business and whose charters have already, or may prior to the thirty-first day of December, one thousand eight hundred and seventy-seven, expire by limitation, are hereby extended from the date of their said expiration to the first day of January, one thousand eight hundred and seventy-eight; and that upon the acceptance of this renewal by a continuance thereunder, the said banks or institutions shall respectively be entitled to all the privileges, and liable for all the acts which they may have exercised and performed since the expiration of their respective charters, to the same extent as if said charters had not expired by limitation; *provided*, that the said saving bank and saving institution whose charters are extended or renewed, as provided for in this section, shall be subject to all pains, penalties and liabilities of this act.

Proviso.

Supplement.

Approved April 5, 1878.

P. L. 1878, p. 421.

Chancellor authorized to make order restraining payment of deposits or interest thereon, on information.

59. SEC. 1. That in case it shall be represented to the court of chancery by any savings bank or institution, or by a majority of the board of directors or managers of any such corporation, whether specially chartered or organized under the act to which this is a supplement, or by any three or more depositors in the same, whose deposits together shall make up the sum of five thousand dollars or more, by petition filed by said corporation, or by bill of complaint, to which said corporation shall be a party defendant, that such corporation is not able to pay the interest on its deposits, or is in danger of not being able to return all its deposits in full, without sacrifice of its assets, it is hereby declared and enacted to be the duty and right of the chancellor to inform himself by personal examination, or through that of some competent person by him selected, or by the statement, under oath, of the officers, or at least three of the directors or managers, of the financial condition of such corporation, and to make order, in his discretion, restraining the directors or managers of such corporation, until his further order, from paying any one depositor more than the chancellor shall direct, of his or her deposit in said corporation, or from paying or allowing interest on such deposits, or otherwise regulating the conduct of said directors or managers in relation to said corporation, and with or without enjoining said directors or managers from continuing to exercise the franchises of the same. (a)

Corporation to be and continue the ward of the court.

60. SEC. 2. That from and after the date of said order, such corporation shall be and continue the ward of said court, subject to the supervision and control of the chancellor, who shall have power, in his discretion, to suspend any or all of its managers or trustees and appoint others in their stead, and generally to control the same and direct the action of its directors, managers or trustees in such manner as shall conduce to the preservation of its assets and the prevention of its insolvency, by writ of injunction or otherwise.

61. SEC. 3. [Amended by Sec. 65, *post*.]

(a) A corporation created merely for the purpose of receiving deposits for investments on account for the depositors is a mere trustee for them, and is entitled to the aid and direction of the court of chancery in the management of the trust. *In re Provident Ins. for Savings*, 1 N. J. L. J. 241, 3 Stew. 5. Although the

act gives a receiver no express authority to sue in his own name, he may nevertheless so sue, as he is an assignee, by legal indentment, of the choses in action so committed to him. *Wilkinson v. Rutherford*, 20 Vt. 241.

62. SEC. 4. That no savings bank or institution for savings shall be subject, otherwise than under this act, to be declared insolvent or placed in charge of receivers; *provided*, that nothing in this act shall be construed to limit the right of the attorney-general, upon the direction of the state board, to institute the proceedings provided for in the forty-fourth section of the act to which this is a supplement, but such proceedings, if instituted for the purpose of having any savings banks declared insolvent or placed in the hands of receivers, shall authorize the chancellor to take charge of and manage such corporation in the manner provided for in this act.

Not to be declared insolvent or placed in charge of receiver save under this act.

Proviso.

63. SEC. 5. That this act shall be construed favorably for every beneficial purpose intended, and shall take effect immediately.

Act to be favorably construed.

Supplement.

Approved February 25, 1880.

P. L. 1880, p. 50.

64. SEC. 1. That it shall be the duty of the receiver of any savings bank or savings institution, heretofore appointed, or who may hereafter be appointed, to make a report to the chancellor once in every three months, showing the amount of money received by him, his agents and attorneys, the amount he has by law a right to retain, the items for which he has retained it, the distributive shares of each person interested in the amount in his hands, also showing the assets on hand at the date of each report and uncollected, the said report to be verified by the oath of such receiver, and a copy of it to be filed, immediately after making the same, in the office of the clerk of the county in which the savings bank or institution was located; the first report under this act to be made and filed as aforesaid on or before the first Monday of May next; a failure to comply with the provisions of this act, on the part of a receiver, shall be sufficient cause for his removal.

Receivers of savings banks to make report once in three months.

When first report to be made.

Failure to make report, receiver to be removed.

An act to amend the act entitled "A supplement to an act entitled 'An act concerning savings banks,'" approved April twenty-first one thousand eight hundred and seventy-six, which supplement was approved April fifth, one thousand eight hundred and seventy-eight.

Approved March 11, 1880.

P. L. 1880, p. 192.

65. SEC. 1. That the third section of said act intended to be hereby amended as aforesaid, which section reads as follows [see P. L. 1878, p. 421, and Sec. 61, *ante*], be amended to read as follows:

[That if, notwithstanding such order, and after the elapsing of time sufficient in his discretion for the prevention of its insolvency, said institution shall, on examination by or at the instance of the chancellor, be found unable to return its deposits and pay its debts, the chancellor shall, by order, direct the cessation of its business, except so far as shall be necessary to collect and distribute its assets equally among those entitled to share the same, appointing a receiver or receivers or continuing such directors or managers, or any of them, as he shall deem best, and thereupon said assets shall, under his direction, be collected or their value realized by sale, and distribution shall be made as aforesaid; and it shall be lawful for the chancellor, by final decree directing such distribution, in his discretion, to adjudge whether or not the charter of said corporation shall be void.]

Chancellor may appoint receiver or receivers.

66. SEC. 2. That the chancellor has and shall have power at any time to make order authorizing the reception by such institution of new deposits, and directing the investment thereof in such classes of securities as shall, in his judgment, be for the profit of such depositors, in which securities only the parties making such new deposits, or their assigns, shall have any interest or right.

Chancellor may authorize reception of new deposits and direct the investment of the same.

Supplement.

Approved March 2, 1881.

P. L. 1881, p. 62.

Trustees or managers of savings banks authorized to pay president compensation.

67. SEC. 1. That it shall be lawful for the trustees, directors or managers of any savings bank or savings institution in this state, whether such savings bank or savings institution shall have been organized under a special act, or under the act to which this is a supplement, to pay to the president of any such savings bank or savings institution, who shall devote his time and labor to the management and care thereof, such reasonable compensation for his services as president as shall be fixed by the said trustees, managers or directors.

Supplement.

Approved February 23, 1883.

P. L. 1883, p. 50.

When office of manager of savings bank shall become vacant.

68. SEC. 1. That section nineteen of the act entitled "An act concerning savings banks," approved April twenty-first, one thousand eight hundred and seventy-six, be and the same is hereby amended to read as follows :

[That whenever a manager of any savings bank shall hereafter borrow, directly or indirectly, any of the funds of the savings bank of which he is a manager, or upon his becoming a surety or guarantor for any money borrowed of, or loan made by, such savings bank, or upon his failure to attend the regular meetings of the board, or to perform any of the duties devolved upon him as such manager, for six successive months, without having been previously excused by the board for such failure, the office of such manager shall thereupon immediately become vacant; but the manager vacating his office by failure to attend meetings or to discharge his duties may, in the discretion of the board, be eligible to a re-election.]

Supplement.

Approved March 22, 1883.

P. L. 1883, p. 132.

Duty of managers.

69. SEC. 1. That section twenty-seven of the act to which this is a supplement be and the same is hereby amended so that the same shall read as follows :

[That it shall be the duty of the managers of any such corporation, as soon as practicable, to invest the moneys deposited with them in the securities named in the twenty-sixth section of this act, except that, for the purpose of meeting current payments and expenses in excess of the receipts, there may be kept an available fund of not exceeding ten per centum of the whole amount of deposits with such corporation; and the same may be kept on hand, or on deposit in any bank or banking association in this state, organized under any law or laws of this state or of the United States; or the same may be deposited on call, at interest, in such solvent trust company or safe deposit company incorporated under and by virtue of the laws of this state or of the states of New York or Pennsylvania, as a majority of the managers of such bank or institution for savings may direct, by resolution adopted at a regular or special meeting, and duly recorded on their minutes; or such available fund, or any part thereof, may be loaned upon pledge of the securities, or any of them, named in subdivisions one, two, three and four of section twenty-six of this act, but not in excess of seventy-five per centum of the cash market value of such securities so pledged, nor in excess of the par value thereof; and should any of the securities so held in pledge depreciate in value, after making any loan thereon, it shall be the duty of the managers to require the immediate payment of such loan, or of a part thereof, or additional security therefor, so that the amount loaned shall at no time exceed seventy-five per centum of the market value of the securities pledged for the same.]

Supplement.

Approved March 17, 1887.

P. L. 1887, p. 20.

70. SEC. 1. That section thirty-four of the act to which this is a supplement, and which said section thirty-four is in the words following, to wit :

[“That it shall be lawful for managers of such corporation, acting as officers of the same, whose duties require and receive their regular and faithful attendance at the institution, to receive such compensation as in the opinion of a majority of the board of managers shall be just and reasonable; *provided*, that the said state board provided for in section eight may reduce the amount of such compensation if in their judgment the same is fixed at an excessive amount, but no manager shall receive a larger compensation than the sum of three dollars for each occasion of his attendance at meetings of the board of managers or of committees thereof,” shall hereafter embrace and apply to all savings banks within this state, created by or existing under or by virtue of any special charter or act of the legislature of this state, anything in such special charters or acts to the contrary notwithstanding.]

Compensation of managers acting as officers.

Proviso.

Supplement.

Approved February 22, 1888.

P. L. 1888, p. 99.

71. SEC. 1. [Amended by Sec. 75, *post*.]

72. SEC. 2. That it shall be lawful for any savings bank in this state to invest its funds in first mortgage bonds of any railroad company which has paid dividends of not less than four per centum per annum regularly, on their entire capital stock, for a period of not less than five years next previous to the purchase of such bonds, or in any consolidated mortgage bonds of any such company authorized to be issued to retire the entire bonded debt of such company.

May invest funds in mortgage bonds of certain railroad companies.

A supplement to an act entitled “An act concerning savings banks,” approved April twenty-first, one thousand eight hundred and seventy-six, authorizing extensions of corporate existence.

Approved March 26, 1888.

P. L. 1888, p. 264.

73. SEC. 1. That it shall be lawful for any savings bank or savings institution heretofore or hereafter created under or by virtue of any law of this state, at any time before the expiration of its charter, or of the period named in its certificate of organization, to file in the office of the secretary of state a certificate under its common seal, attested by the signature of its presiding officer, authorized by resolution for that purpose, passed at a regular or special meeting of any such savings bank or savings institution, declaring its desire that the period of its existence and its corporate powers shall be extended for any time therein mentioned not exceeding fifty years.

Lawful for savings institutions to file certificate of extension of corporate existence in office of secretary of state.

74. SEC. 2. That upon making, proving and filing such certificate, the period of the existence and the corporate powers of such savings bank or savings institution shall be extended as declared in such certificate, as fully as if the said period had been named in the original charter or certificate of organization of such savings bank or savings institution; and the said certificate or a copy thereof duly certified by said secretary of state shall be evidence in all courts and places; every such savings bank shall be subject to such general laws on the subject of taxation as shall apply to other savings banks.

When filed, period of existence extended.

Supplement.

Approved April 27, 1888.

P. L. 1888, p. 545.

75. SEC. 1. That the supplement to the act to which this is a supplement, and which last supplement was approved February twenty-second, one thousand eight hundred and eighty-eight [see Sec. 71, *ante*], shall be and the same is hereby amended to read as follows:

[That all savings banks shall, in lieu of all other taxes, pay an annual tax on the amount of their deposits of one-half of one per centum, after deducting therefrom available funds on hand or on deposit to meet current payments or expenses, and the amount invested in any securities issued by this state or by any county, town, township or city in this state, or which,

Savings banks to pay an annual tax.

by the statutes of this state or of the United States, are exempt from taxation, and the cost of the real estate purchased under foreclosure, which real estate shall be subject to the same tax as other like property.] (a)

Supplement.

Approved March 27, 1889.

P. L. 1889, p. 114.

Investment of funds in first mortgage bonds of certain railroad companies.

76. SEC. 1. That it shall be lawful for any savings bank in this state to invest its funds in first mortgage bonds of any railroad company which has paid dividends of not less than four per centum per annum regularly, on their entire capital stock, for a period of not less than five years next previous to the purchase of such bonds, or in any consolidated mortgage bonds of any such company authorized to be issued to retire the entire bonded debt of such company.

Supplement.

Approved April 3, 1889.

P. L. 1889, p. 161.

Expenses of secretary of state in examinations, how defrayed.

77. SEC. 1. That section forty-five of the act to which this is a supplement, be and the same is amended to read as follows :

[That each savings corporation shall pay five dollars annually on filing its annual statement, and the actual expenses of examinations made or to be made, as required by law, of any savings corporation, shall be paid by the corporation examined, and if any such corporation shall, after due notice, refuse or neglect for thirty days to pay such expenses, the secretary of state may maintain an action in the name of his office against such corporation for the recovery of such expenses.]

Repealer.

78. SEC. 2. That all acts and parts of acts inconsistent herewith, be and same are hereby repealed, and this act shall take effect immediately.

Supplement.

Approved May 1, 1894.

P. L. 1894, p. 180.

Repealer.

79. SEC. 1. That an act entitled "A supplement to an act entitled 'An act concerning savings banks,' approved April twenty-first, one thousand eight hundred and seventy-six," which supplement was approved April tenth, one thousand eight hundred and eighty-five, be and the said supplement is hereby repealed.

By-laws may fix quorum.

80. SEC. 2. That the by-laws of the board of managers of any savings bank in this state may fix the number that shall constitute a quorum of the board for the transaction of business; *provided*, that said number so fixed shall not be less than a majority of the whole board.

Proviso.

An act for the better security of depositors in savings banks.

Approved April 5, 1878.

P. L. 1878, p. 393.

Penalty for violation of any of the provisions of this act.

81. SEC. 1. [Amended by Sec. 85, *post*.]

82. SEC. 2. [Amended by Sec. 86, *post*.]

83. SEC. 3. That a violation of any of the provisions of this act by any or either of the trustees, directors, managers or other officers of any savings bank or savings institution now existing within this state, shall be a misdemeanor, and upon conviction thereof, any person so offending shall be punished by a fine of not less than two hundred and fifty dollars nor more than one thousand dollars, or imprisonment for a term not exceeding two years, at the discretion of the court.

Rate of interest or dividends, by whom regulated.

84. SEC. 4. That it shall be the duty of the trustees, managers or directors of every savings bank or institution to regulate the rate of interest or dividends, not to exceed five per centum per annum therewith, in such manner that depositors shall receive, as nearly as may be, all the profits of such

(a) The tax provided for by this supplement is not a tax on property, and therefore not within the operation of article IV., section 7, paragraph 12, of the constitution, requiring property to be assessed for taxes under general laws and by uniform rules, according to its true value. *Trenton Savings Fund v. Richards*, 23 Vt. 166. The exemption from taxation, which

that supplement purports to secure, for all the property of savings banks, except real estate purchased under foreclosure, is not the exemption of an entire class of property, and is therefore contrary to the constitutional paragraph above mentioned, and is void. *Id.*

corporation, after deducting necessary expenses and other payments, and reserving such amount as said trustees or managers may deem expedient as a surplus; *provided, however*, that the provisions of this act shall not apply to any safe deposit company now doing business under a special law of this state, nor shall it apply to any stock savings bank or institution where there is a subscribed capital and personal liability against stockholders. (a)

Proviso.

Supplement.

Approved March 21, 1881.

P. L. 1881, p. 285.

85. SEC. 1. That the first section of the act of which this is a supplement be and the same is hereby amended so as to read as follows:

[That it shall not be lawful, from and after the passage of this act, for any savings bank or other savings institution, whether chartered or incorporated under a general or special act of the legislature of this state, and any provision contained in the charter, or any supplement thereto, of such savings bank or savings institution to the contrary, to invest the moneys deposited with the same in any manner, except as follows, to wit:

Deposits, how invested.

I. In the stocks or bonds or interest-bearing notes or obligations of the United States, or those for which the faith of the United States is distinctly pledged to provide for the payment of the principal and interest thereof;

Securities, United States stocks or bonds.

II. In the interest-bearing bonds of this state;

State bonds.

III. In the bonds of any state in the Union that has not, within ten years previous to making such investment by any such bank or institution, defaulted in the payment of any part of either principal or interest in any debt authorized by any legislature of such state to be contracted;

Bonds of other states, &c.

IV. In the stocks or bonds of any city, town, county or village of this state, issued pursuant to the authority of any law of this state, or of the cities of New York, Brooklyn and Philadelphia, or in any interest-bearing obligations (other than those commonly known as improvement certificates) issued by the city, town or borough in which such bank or institution shall be situated;

Stocks or bonds of cities in this or other states.

V. In bonds secured by mortgages which shall be a first lien on real estate situate in this state, and worth at least double the amount loaned thereon, but not to exceed eighty per centum of the whole deposits shall be so loaned or invested; but in case the loan is on unimproved or unproductive real estate, the amount loaned thereon shall not be more than thirty per centum of its actual value; and no investment in any bond and mortgage shall be made by any savings bank, except upon the report of a committee of at least three of the managers, directors or trustees of any such bank or institution, and a majority of which committee shall certify to the value of the premises mortgaged, or to be mortgaged, according to their best judgment; such report shall be filed and preserved among the records of the institution;

Bonds and mortgages.

VI. In real estate strictly in accordance with the following provisions:

Real estate.

(a) A plot whereon is erected, or may be erected, a building or buildings requisite for the convenient transaction of its business, and from portions of which, not required for its own use, a revenue may be derived; the costs of such building or buildings and lot shall in no case exceed fifty per centum of the net surplus of such corporation;

(b) Such as shall have been purchased by it at sales upon the foreclosure of mortgages owned by such corporation, or upon judgments or decrees obtained or rendered for debts due to it, or in settlements effected to secure such debts; and all such real estate mentioned in the last preceding clause in this subdivision shall be sold by such corporation within five years after the same shall have been so purchased, unless, upon application by such corporation to the state board having the supervision of savings banks in this state, the same shall extend the time within which such sale

(a) Under this act, construed in connection with section 22, *ante*, a savings bank cannot divide more than five per cent. per annum among its depositors until after its surplus exceeds fif-

teen per cent. of its deposits. *Provident Savings Institution's Case, 3 Steu. 5.*

Proviso. shall be made ; *provided*, that nothing in this act shall be construed or held to alter, affect or repeal the provisions of the fourth section of the act to which this is a supplement.] ^(a)

Supplement.

Approved April 9, 1889.

P. L. 1889, p. 229.

86. SEC. 1. That section two of the act to which this is a supplement be amended to read as follows :

Loans on collateral securities.

[That hereafter it shall not be lawful for any saving institution in this state to loan the money on deposit with the same, or any part thereof, upon notes, bills of exchange or drafts, excepting upon the additional pledge of collateral security or securities, which collateral security or securities shall be of the same nature and character as those in which the money deposited may be invested, as directed in the first section of this act, or the capital stocks of national and state banks, or other corporations of this state, which have not defaulted in the payment of interest dividends within two years next preceding the time of such loan, and then only to the extent of eighty per centum of the market value of such collaterals ; *provided*, that the total amount of such loans shall not exceed fifteen per centum of the total deposits held by such institution.]

Proviso.

Repealer.

87. SEC. 2. That all acts and parts of acts inconsistent herewith be and the same are hereby repealed, and this act shall take effect immediately.

An act in relation to insolvent savings banks.

Approved April 10, 1885.

P. L. 1885, p. 229.

Dividends unclaimed for one year to be advertised.

88. SEC. 1. That whenever there shall remain unclaimed for a period of one year any dividends declared by the managers or a receiver of any insolvent savings bank or savings institution, it shall be the duty of such managers or receiver to prepare a list for advertisement of such unclaimed dividends, and publish the same in a newspaper published in the city or township in which such bank or institution is located, which advertisement shall state the name of the depositor, his or her place of residence, if known, and the amount of dividend or dividends unclaimed, such notice to be published at least once a week for four weeks, and the cost thereof charged to the account of unclaimed dividends.

An act to authorize savings banks or savings institutions of this state to invest moneys deposited with them in the bonds of certain cities and counties in any state of the United States of America.

Approved April 5, 1886.

P. L. 1886, p. 177.

Savings banks authorized to invest moneys deposited in bonds of certain cities and counties.
Proviso.

89. SEC. 1. That it shall be lawful for any savings bank or savings institution, incorporated under any law of this state, to invest moneys deposited with it in the bonds of any city or county of any state of the United States of America, which have been or may be issued pursuant to the authority of any law of any such state ; *provided*, no such city or county has, within ten years previous to making such investment by any such savings bank or savings institution of this state, defaulted in the payment of any part of either principal or interest of any debt authorized by law of such state to be contracted ; *and provided further*, that the total indebtedness of any such city or county is limited by law to ten per centum of its assessed valuation.

Proviso.

^(a) This statute does not justify the investment in the bonds of any municipality of this state; discretion and prudence must be used in selecting such bonds, because municipal bonds are not always good security. *Newark Savings Institution's Case*, 5 *Stew* 644. In investing in mortgages, the mortgages must be first mortgages on real estate in this state, worth, if improved and productive, at least double the amount loaned, and if un-

productive and unimproved, seventy per cent. more than the sum lent, and are also to be reported upon and certified by a committee of the managers. *Id.* Where the funds of a savings bank were lost by the mismanagement of the managers, the remedy is by a suit in the name of the receiver, and not by individual depositors. *Dodd v. Una*, 13 *Stew* 722.

An act concerning unclaimed deposits in savings banks.

Approved April 9, 1888.

P. L. 1888, p. 417.

90 SEC. 1. That all savings banks of this state shall include in their annual reports now required by law a sworn statement containing the name, the amount standing to his, her or their credit, the last-known place of residence or post-office address and the fact of death, if known, of every depositor who shall not have made a deposit therein or withdrawn therefrom any part of his, her or their deposit or deposits, or any part of the interest thereon, for a period of ten or more years next preceding, when the amount exceeds the sum of fifty dollars; and the officers of such savings bank shall give notice of these deposits in one or more newspapers published in or nearest to the city or town where such banks are located, at least once a week for three weeks in succession during the month of February for two years.

Statement of depositors not making or withdrawing deposit for ten or more years, to be included in annual reports.

Notice to be published.

91. SEC. 2. That the secretary of state shall incorporate in his annual report each return which shall have been made to him as provided in section one.

Secretary of state to incorporate returns in annual report.

92. SEC. 3. That the officers of any savings bank neglecting or refusing to make the sworn return required by section one of this act, shall be guilty of a misdemeanor and liable to a fine not exceeding five hundred dollars.

Penalty for neglecting to make return.

An act in relation to savings banks.

Approved May 9, 1894.

P. L. 1894, p. 277.

93. SEC. 1. That where it is provided by any special act incorporating any savings bank in this state (and which act is still in force) that additional or new managers may be elected by receiving the votes of a certain number of the managers of said bank, and it appears that by death or resignation the number of managers of such bank has been reduced to less than the number required by their said act of incorporation to elect a new member, it shall and may be lawful to elect a new member or members by the votes of a less number of the managers; *provided*, they be the votes of the entire number of the present managers; *and provided, further*, that after the number of managers has been increased to the number originally required to elect a new manager, that then no new manager shall be elected unless he receives the number of votes originally required by their charter to elect a new manager.

When lawful to elect new members of board of managers.

Proviso.

Proviso.

An act relating to certain savings banks in this state.

Approved March 28, 1895.

P. L. 1895, p. 755.

94. SEC. 1. That any savings bank of this state now being conducted by virtue of a special charter may pay to any committee of its managers such compensation for their services as its board of managers by a three-quarters vote of its entire number, may at any time decide, or may have decided.

Savings banks operating under special charter may compensate managers.

II. Mutual savings associations.**An act to encourage mutual savings associations.**

Revision—Approved April 9, 1875.

P. L. 1847, p. 172.

" 1848, p. 220.

95. SEC. 1. That every association of persons, residents of this state, not exceeding five hundred in number, who shall sign a certificate in writing, setting forth that they have formed an association for the purpose of investing and accumulating the periodical and other contributions of the members thereof, their successors and assigns, for the creation of a fund to be finally distributed among them, according to the interest by them respectively possessed therein, and the name adopted for such association, and the city, borough or township where it is to be located and its business transacted, and shall cause the same to be delivered to the clerk of the county

Mutual savings associations, how incorporated. Certificate and filing.

which embraces the place of its location, shall thenceforth be a body politic and corporate in law, with all the powers mentioned in the first section of the act entitled "An act concerning corporations."

Clerk to file certificate.

Fee.

96. SEC. 2. That the said clerk shall immediately file said certificate, and record it in a book to be kept for that purpose, for which he shall be entitled to receive the sum of twenty-five cents; and the same shall then be deposited and filed in the office of the secretary of state, and a copy thereof duly certified by said secretary, shall be evidence for or against said company.

Parents and guardians and trustees may subscribe.

97. SEC. 3. That parents and guardians may sign said certificate in behalf of their minor children or wards, and trustees in behalf of married women; and said parents, guardians or trustees may hold the shares subscribed, and act in such association for those whom they so represent; but the benefit of such investments shall go to the parties represented.

Constitution and by-laws.

98. SEC. 4. That every such association may adopt such constitution and by-laws as to them shall seem right and proper; which constitution shall be signed by all the associations, and recorded in the book of minutes of such association, and a copy thereof filed with the secretary of state; and such association may alter and amend the same from time to time in the manner provided therein; they may also make penalties for breaches of the constitution or by-laws, not exceeding ten dollars; but nothing in said constitution or by-laws shall be repugnant to the constitution or laws of this state or of the United States.

Investment of funds, preference to members.

99. SEC. 5. That in investing the funds of said associations, preference shall always be given to the members thereof, and awarding them to those who shall offer the most satisfactory security; *provided*, the said association shall not take, directly or indirectly, upon any contract for loan of any money, above the value of seven dollars for the interest upon or for the forbearance of one hundred dollars for a year, and after that rate for a greater or less sum, or for a longer or shorter time.

Rate of interest.

What constitution to regulate.

100. SEC. 6. That all matters not herein provided for shall be regulated by the constitutions and by-laws of said associations, respectively.

Such associations may buy lots and build houses. P. L. 1848, p. 220.

101. SEC. 7. That it shall be lawful for any such association to invest their funds in the purchase of lots and the erection thereon of dwelling-houses, to be ultimately divided among the members.

Charter may be annulled.

102. SEC. 8. That the legislature may at any time annul the charter of any association organized under this act.

Supplement.

Approved April 9, 1875.

P. L. 1875, p. 106.

Deposit of married women may be held free from control of husband.

103. SEC. 1. That in case any savings bank within this state, existing under special statute, or by virtue of an incorporation under the general statute to which this is a supplement, shall hereafter receive any deposit or deposits from any married woman or from any single woman who may afterward marry, it shall be lawful for the said corporation to hold the same, together with the interest or dividends which may accrue thereon, as the sole and separate property of such woman, as though she were single, not subject to the control, nor liable for the debts of her husband; and to repay the same, and the interest and dividends, or any part thereof upon her check, order, receipt or demand, without the concurrence of her husband, and such payment shall exonerate and discharge the said corporation from any further liability by reason thereof.

Deposit may be paid to minor who acquired same by his own labor.

104. SEC. 2. That it shall hereafter be lawful for any savings bank incorporated by special statute or under the general statutes of this state, at its discretion to pay to any depositor, being a minor, and orphan or half orphan, who made the deposit or deposits personally, and who acquired said deposits by his or her own labor, and who supports himself or herself by his or her own labor, and has no guardian by appointment of the surrogate or testamentary guardian, such sum as may be due to such depositor, and the receipt or acquittance of such minor shall be as valid as though the same were made by his or her guardian by appointment.