

No. 317.

AN ACT

To extend the charter of the Lancaster Bank.

SECTION 1. *Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same.* That the charter of the Lancaster Bank shall be and the same is hereby extended and continued, for the purpose of transacting the business of banking, at its present location, for the term of fifteen years from the expiration of the present charter, with the capital stock as at present fixed by law, subject to the provisions imposed by this act, and to the provisions now imposed upon the said bank by existing laws of this commonwealth, and to such further provisions as the legislature may hereafter enact for the general regulation of banks in this commonwealth.

Charter extended for the term of fifteen years.

SECTION 2. The total liabilities of the said bank, exclusive of capital stock, shall not at any time exceed three times the amount of its capital stock paid in, nor shall the debts of every kind due, and to become due, to the said bank, ever amount to more than four times its capital stock paid in; and the said bank shall neither loan nor discount, when its circulation shall be equal, for thirty consecutive days, to three times the amount of specie, and notes of specie paying banks, in its possession, belonging to said bank, and any balances standing to the credit thereof in specie paying banks, convertible into specie at the pleasure of the said bank.

Total liabilities of said bank exclusive of capital stock, not to exceed three times the amount of its capital stock paid in.

SECTION 3. The auditor general may at any time require the cashier of the said bank to state and return, on his oath, the amount of the circulation of said bank for any consecutive period of thirty days which he may designate, and also, for the same period, the amount of specie and notes of specie paying banks in its possession, belonging to the said bank, and the balance standing to its credit in specie paying banks, convertible into specie at the pleasure of the bank, and also, the whole amount of its liabilities and debts due and to become due; and if upon the return so made, it shall appear that any of the provisions of the second section of this act have been violated for the said period of thirty days so designated by the auditor general, he shall give notice thereof to the governor, who shall thereupon issue his proclamation, declaring the charter of the said bank to be forfeited.

Auditor general may at any time require statement, &c.

SECTION 4. If the charter of the said bank shall be forfeited in manner provided in the preceding section, after proclamation made by the governor, then the directors of said bank shall forthwith make and execute an assignment in the manner provided in the act of the twelfth March, one thousand eight hundred and forty-two, entitled "An Act to provide for the resumption of specie payments, and for other purposes;" and it shall thereupon be proceeded in the manner provided in that act. If the directors of the said bank should neglect or refuse to make the assignment provided for in this act, they shall be guilty of a misdemeanor, and upon conviction in any criminal court in the commonwealth, be imprisoned in the jail of the proper county, for any period not exceeding two years, in the discretion of the court.

In case of forfeiture of charter an assignment to be made.

SECTION 5. If any president, cashier, or any other officer or clerk of the said bank, shall fraudulently embezzle or appropriate to his own use, or to the use of any other person or persons, any money or other property belonging to said the institution, or left with the same as a special deposit or otherwise, he or they, upon conviction of such offence, shall be fined in any amount not less than the sum so appropriated or embezzled, and sentenced to undergo imprisonment in one of the state penitentiaries, as the case may be, to be kept in separate and solitary confinement, at labor, for any term not exceeding five years: *Provided*, That this shall not prevent any person or persons aggrieved, from pursuing his or their civil remedy against such person or persons.

SECTION 6. It shall be the duty of the auditor general to require the said bank, on some discount day to be designated by him, in every quarter of the then current year, one of which shall be in the month of November, to make and return to him the exhibits hereinafter provided for; which exhibits the auditor general shall prepare in tabular form, and communicate the same to both branches of the legislature, within ten days after their meeting: *Provided*, That the first section of the act approved the first April, one thousand eight hundred and thirty-six, entitled "An Act requiring the banks of this commonwealth to make quarterly statements to the auditor general," shall not be made applicable to this bank.

SECTION 7. It shall be the duty of the president or cashier of the said bank, for the time being, to prepare, upon the requisition of the auditor general, a just and full exhibit of the affairs and condition of the said bank, on at least four different discount days of the then current year, to be designated by the auditor general, one of which shall be in the month of November, so as to exhibit the entire amount of the assets of the bank, and every item thereof under separate heads, and also, the entire amount of the indebtedness and liabilities of the said bank, and every item thereof under separate heads, setting forth on the one side particularly, so as to give a full and proper view of all the assets belonging to the said bank: first, the amount of gold and silver in its possession; the amount of current notes, checks and bills of other banks; the amount of uncurrent notes, checks and bills of other banks; the amount of any other obligations of other banks; the amount of bills and notes discounted; the amount of the mortgages of the bank, and the assessed value for the preceding year, of the real estate bound by such mortgages; the amount of prior mortgages, judgments and other liens; the amount of judgments held by the bank, and the assessed value for the preceding year, of the real estate bound by such judgments; the amount of prior judgments, mortgages and other liens; the amount of the real estate held and owned by the bank, and the assessed value for the preceding year, of each separate piece or parcel of real estate owned by the bank, and its location; the amount due from other banks that are solvent, giving the name of each bank from which the same is due, together with the amount so due by each one of said banks; the amount due from insolvent banks, the names of such banks and the amount due from each one; the amount of public and corporate stocks and loans of the bank, the nature and kind of loans and stocks, designating particularly in what companies or corporations the stocks or loans are held, and the amount of stocks or loans of each company or corporation so held; the amount of bonds held, designating particularly the nature and character of the bonds held and against whom, or what the amount of treasury notes; the amount of claims against individuals or corporations that are disputed or in controversy; the amount of all other debts and claims either due or to become due, and the value of any other property of the

Embezzlement,
how punished.
Duty of auditor
general.
Proviso.
Exhibit to be
made out by
president or cash-
ier upon requisition of auditor
general.
Exhibit.

bank, as the same stand charged on the books or otherwise; which said exhibit shall also set forth on the other side, the debts and liabilities of the bank on the discount day designated by the auditor general, specifying separately, under distinct heads, the various kinds of liability and indebtedness; the amount of capital stock actually paid in; the amount of the circulation; the amount of deposits, certificates of deposits; the amount due the commonwealth; the amount due to corporations; the amount due to banks; the amount due to individuals, and the amount of claims against the bank remaining in controversy, and any other items of indebtedness or liability, not embraced in the foregoing specifications.

Further duties of cashier in preparing exhibit. SECTION 8. It shall moreover be the duty of the cashier, in preparing the exhibits required in the preceding section of this act, for the month of November preceding the meeting of the legislature, to state in regard to each item and sub-division of the assets of the bank, what is in the judgment and ability of said cashier, the actual marketable cash value of each item of the same, and the amount of current notes of other banks on hand at the time the exhibit is made out; also the amount of uncurrent notes held by the bank.

Exhibit to be verified by the oath or affirmation of cashier.

SECTION 9. The exhibit, agreeably to the seventh and eighth sections of this act, shall be verified and accompanied with the oath or affirmation of the cashier of the said bank, duly attested before some officer authorized by law to administer oaths, to the following effect, namely: that he, the said cashier, has carefully examined the books and muniments of the bank, and has compared the same with the said exhibit, as far as it is practicable, and that he verily believes that the said exhibit or statement presents a true, fair and full view of the actual condition of the bank; and in addition to the above exhibit, made for the discount day in the month of November preceding the meeting of the legislature, shall be accompanied with the oath or affirmation of the cashier of the said bank, setting forth, that he has inspected the several items of assets, or the evidence thereof, in the said exhibit referred to, as far as is practicable, and that he has, according to the best of his judgment and ability, valued each of said items of assets at the absolute cash price which it would produce at the time, and that in his judgment the actual assets of the bank are bona fide worth the amount of the valuation so made by him.

Officers required to take an oath before entering upon their duties.

SECTION 10. The president, directors, cashier and other officers of the said bank, and of every other bank hereafter chartered, shall before they enter on the duties of their several offices and stations, severally take an oath, to be administered by some officer authorized by law to administer oaths, to observe faithfully and honestly the provisions of the several acts of assembly applicable to the bank of which they are directors or officers, or in which they hold stations; and that they and each of them during their continuance in office will not knowingly violate or sanction, or willingly permit any of the provisions of the law governing their charter to be violated; the said oath so to be taken shall be subscribed and immediately delivered to the auditor general, to be filed in his office.

Officers having taken and subscribed the oath required, who shall violate any of the provisions of any act, &c., shall be deemed guilty of perjury. SECTION 11. If any president, director, cashier or other officer of the said bank, or of any other bank hereafter chartered, shall after having taken and subscribed the oath required by this act, wilfully violate any provision of any act of assembly applicable to the bank of which he is an officer, he shall be taken and deemed to have committed wilful and corrupt perjury, and upon conviction in any criminal court in this commonwealth, he shall suffer such punishment as is inflicted by the laws of this commonwealth on any person guilty of the crime of perjury.

SECTION 12. That the said bank shall pay into the treasury of the com- Bank required to
monwealth, within three months after the expiration of the present char- pay into the
ter, two per centum upon the whole amount of the capital stock thereof state treasury cer-
paid in: *Provided*, That should said bank at any time hereafter be made tain per centum
the subject of taxation, not now provided for by general laws, the per on capital stock.
centage so paid shall be credited to said bank, on account of said addi- Proviso.
tional taxation.

SECTION 13. Neither the said Lancaster Bank, nor any other bank Notes of a less
hereafter chartered, shall issue and put in circulation any bill or note denomination
of said bank, payable at any other place than at said bank, nor other- than five dollars
wise than payable on demand, nor of a denomination less than five prohibited.
dollars; and any violation of this section by any officer of said bank
or banks, shall be a misdemeanor, punishable upon conviction, by a
fine of not less than five hundred dollars, and imprisonment in the
jail of the proper county, not less than one year.

SECTION 14. It shall not be lawful for said bank to make or declare Dividends.
any dividend to the stockholders thereof, except from profits actually
acquired above the par value of the stock, and no such dividend shall
be made at any time that will in any manner impair or diminish the
capital stock of said bank.

SECTION 15. The stockholders of the said Lancaster Bank shall be Individual
jointly liable to the creditors of said bank, being note holders, in their liability.
individual capacity, for the amount of all the notes issued, in an amount
not exceeding the par value of the stock owned and possessed by them
respectively, and the manner of enforcing such liability shall be as
follows: in case the said bank shall violate the provisions of any
law applicable to it, so as to forfeit its charter, or becomes insolvent
in failing circumstances by reason of the mismanagement of its affairs, Assignment in
and is compelled to make an assignment under the provisions of this case of insol-
act, or under the provisions of the act of twelfth March, one thousand vency.
eight hundred and forty-two, entitled "An Act to provide for the Assignees.
resumption of specie payments by the banks," the assignees so appointed
shall proceed to make a fair and equitable appraisement of the assets of
the said bank of every description, at their cash value, and also to make
a list of all the debts due by the said bank; and if it shall appear that
the assets are insufficient to redeem the notes in circulation, the stock-
holders of the said bank shall be liable to make good such deficiency in
proportion to the respective amounts of stock held by each, at the time
such assignment is made: *Provided*, That their joint liability shall in Proviso.
no case exceed the amount of the par value of their stock.

SECTION 16. It shall be the duty of the assignees aforesaid to cause Duty of as-
a scire facias, in the name of the commonwealth of Pennsylvania, to be signees.
issued by the prothonotary of the court of common pleas of Lancaster
county, against all the stockholders of the said bank, reciting the amount
of such deficiency, and requiring them to appear at the next court of
common pleas in said county, and show cause why execution should
not be issued against them for such amount; and such scire facias shall
also set forth the proportions due from each of the said stockholders;
and it shall be the duty of the sheriff of said county to serve the said writ
upon all stockholders named in said writ residing within his bailiwick;
and it shall be lawful for the court of common pleas, or a judge in
vacation, to make such order in reference to giving notices to stock-
holders, non-residents of the county, and named in said writ, as the
case may require: *Provided*, That the writ of scire facias shall not Proviso.
abate by reason of the non-joinder of any stockholder; and in case it
shall appear that one or more persons in said writ named are not liable,

under the provisions of this act, it shall not vitiate the proceedings against the others.

On return of writ of scire facias, writs of execution may be awarded.

SECTION 17. On the return day of the said writ of scire facias, it shall be the duty of the said court to render judgment against the stockholders named in said writ, for the several amounts for which they are respectively liable, if no sufficient cause shall be shown to the contrary, and to award writs of execution as in other cases.

Persons making transfer of stock, liable for one year after such transfer.

SECTION 18. If the amount assessed on the shares of any stockholder; under the provisions of the last section, shall not be collected from such stockholder by reason of his insolvency or his absence from this state, the sum remaining due on such assessment shall be recoverable against the person from whom the delinquent stockholder, at any time within one year previous to the assignment of the said bank, shall have received a transfer of the shares, or any portion of the shares then held by him; and any person having made such transfer, being made a party by an alias writ of scire facias, shall be liable in the same manner and for the same proportion that he would have been liable had he continued to hold the shares so transferred: *Provided*, That any person having made an assignment or transfer of his or her stock in said bank, may discharge himself or herself from liability under the provisions of this section, by showing that the transactions or loans which caused the insolvency of said bank, were made after such assignment or transfer, or such part thereof as he or she may show accrued after such transfer or assignment.

Proviso.

Individuals owning stock, liable for their proportions at the time of assignment, but may, before or after process issued, pay their proportionable share.

SECTION 19. Every individual who owned stock in his own name, or in the name of any other person or persons, at the time of such assignment, shall be deemed liable for his or her proportions, under the provisions of this act; but it shall be lawful for any stockholder of the said bank, either before or after process shall have issued, to pay his or her proportionable share of liability to the assignees, and receive a full discharge from them; and the process shall be proceeded in only against the other stockholders that are liable.

The term stockholder to extend to every equitable owner of stock appearing on the books, &c.

SECTION 20. The term stockholder, as used in the preceding sections of this act, shall extend to every equitable owner of stock appearing on the books of the said bank at the time of its insolvency, in the name of another person, and to every person who shall have advanced the instalment or purchase money of any shares of stock standing in the name of any of his children under the age of twenty-one years; but no of twenty-one years, shall be individually liable on account of the shares so held.

Provisions of certain act made applicable to all assignments made by this bank.

SECTION 21. The several provisions of the act of the fourteenth June, one thousand eight hundred and thirty-six, entitled "An Act relating to assignees for the benefit of creditors and other trustees," shall be held to apply to all assignments made by the said bank, and the courts shall exercise all the powers therein given, in addition to the authority conferred by this act, to compel a settlement of the accounts of the assignees, and to do any other act necessary and proper to accomplish the purposes of the trust, and to compel the distribution of the moneys and assets in the hands or power of the said assignees, amongst the creditors entitled according to the just proportion due to each as herein-after provided.

Order of payment.

SECTION 22. The said assignees shall pay out of the assets and property of the said bank, in case of an assignment, the debts and liabilities in the following order:

First, note-holders.

Second, depositors.

Third, all other creditors, except stockholders who shall be last paid.

SECTION 23. If the insolvency of the said bank be wilfully fraudulent, Frauds, how punished. the directors of the said bank, by whose acts or omissions the insolvency was in whole or in part occasioned, and whether then in office or not, shall each be liable to the creditors of the said bank, for his proportional share of their respective losses, the proportion to be ascertained by dividing the whole loss amongst the whole number of directors liable for its re-imbursement.

SECTION 24. Every insolvency of said bank shall be deemed fraudulent, unless its affairs shall appear upon investigation to have been fairly and legally administered, and generally with the same care and diligence that agents receiving a compensation for their services are bound by law to observe. Insolvency to be deemed fraudulent unless, &c.

SECTION 25. The term insolvency used in this act, shall be construed to apply to the said bank when it is compelled to make an assignment, and it shall be thereupon the duty of the directors of the said bank for the time being, within ten days after such assignment, to file in the office of the prothonotary of the court of common pleas of Lancaster county, verified by oath or affirmation, a full statement of its affairs, containing : The term insol- vency, how to be construed. Directors to file statement of affairs after assign- ment.

I. An account of the capital stock of the bank, the amount paid in, and the amount thereof held by such corporation. Statement.

II. The quantity, description and value of the real estate of the said bank.

III. The shares of stock held by the bank, whether absolutely or collateral security, with their number and value.

IV. The debts owing to said bank, and the amount of said debts that are collectable.

V. The amount of debts owing by said bank, with the amount of notes or bills in circulation, amount of deposits, and all other liabilities, together with an account of its loans and discounts, and of specie on hand.

VI. A particular account of the losses of the corporation, and the cause of its insolvency.

VII. An accurate list of the names and residences, and the amount of stock held by each stockholder in said bank, at the time of the said assignment.

SECTION 26. If the court shall be in session when the statement is filed, the same shall be immediately presented to the court by the said directors for examination, and if the court shall not be in session at such time, then the said statement shall be presented upon the first day of the session of the court thereafter; and it shall thereupon be the duty of the court to appoint three competent auditors, who shall be sworn or affirmed, to make a strict investigation of the affairs of such bank, and of the accuracy and fairness of the statement thus presented to the court, and to perform their duties with fidelity. Statement, when to be presented.

SECTION 27. The auditors thus appointed shall have power to compel the production of the books and papers, and to subpoena and examine the directors and officers of said bank, and generally to have and exercise all the authority now conferred on auditors by existing laws; and after having performed their duties, they shall report to the court the result of their investigation; and in case they report that the insolvency was wilfully fraudulent, it shall be their duty also to ascertain and report the amount due from the several directors, according to the liabilities imposed by this act. Auditors, powers of. Make report.

Court to investigate the matters contained in report, &c.

SECTION 28. The said court shall thereupon proceed to the investigation of the matters contained in said report, and shall determine whether the insolvency of said bank was wilfully fraudulent or otherwise, or if they deem it necessary for the purpose of justice, they may direct an issue, at the request of any person interested, to try the fact of wilful fraudulent insolvency; and if the judgment of the court upon the report of the auditors, or upon the verdict rendered upon such issue, shall be that the insolvency of such bank was fraudulent, then and in such case the said court shall proceed to decree against the directors the amount due from each, according to their several liabilities; and the said court of common pleas, for the purpose of carrying into effect the provisions of this act, shall have the same powers and authorities to obtain the appearance of persons then made amenable to their jurisdiction, and to compel obedience to their orders and decrees, and enforce execution thereof, as are by law vested in the said courts in cases of trust.

When this act to take effect.

SECTION 29. The provisions of this act shall go into effect upon the expiration of the present charter: *Provided*, That the stockholders, at a meeting to be called for that purpose, shall by a majority of votes present, decide in favor of the acceptance thereof, which acceptance shall be certified to by the officers of the bank, and transmitted to the governor in writing, and filed in the office of the secretary of the commonwealth.

No director to be drawer or endorser for a greater amount than \$8,000.

SECTION 30. No director of said bank shall appear as drawer or endorser, or as both drawer and endorser, at any one time for a greater amount than eight thousand dollars, and the gross amount discounted for, or loaned to all the directors and other officers of said bank, and to the houses or firms in which they may be interested, directly or indirectly, shall not exceed at any one time the sum of fifty thousand dollars; and if the said bank shall at any time fail or refuse to redeem its notes and pay its liabilities in gold and silver coin, upon demand being made at the banking house of said bank during banking hours, such failure or refusal shall be deemed and held to be an absolute forfeiture of the charter of said bank.

Failure to redeem notes in specie, to be deemed a forfeiture of charter.

Reservation.

SECTION 31. The legislature reserves the power to alter, revoke or annul the charter of the said bank, whenever, in their opinion, it may be injurious to the citizens of the commonwealth, in such manner that no injustice be done to the corporators.

Repeal.

SECTION 32. So much of any act of assembly as is hereby altered or supplied, is hereby repealed.

WILLIAM F. PACKER,

Speaker of the House of Representatives.

GEORGE DARSIE,

Speaker of the Senate.

APPROVED—The seventh day of April, one thousand eight hundred and forty-nine.

WM. F. JOHNSTON.