

All other acts or parts of acts inconsistent herewith are hereby repealed in so far as they relate to business corporations.

APPROVED—The 5th day of May, A. D. 1933.

GIFFORD PINCHOT

No. 107

AN ACT

Declaring and adopting the mountain laurel (*Kalmia Latifolia*) as the State flower of Pennsylvania.

Section 1. Be it enacted, &c., That the mountain laurel (*Kalmia Latifolia*) is hereby adopted as the State flower of Pennsylvania. State flower.

APPROVED—The 5th day of May, A. D. 1933.

GIFFORD PINCHOT

No. 108

AN ACT

Relating to the business of building and loan associations; providing for the organization and voluntary dissolution of such associations; defining the rights, powers, duties, liabilities, and immunities of such associations, and of their officers, directors, shareholders, solicitors, and other employes; prohibiting the transaction of business in this Commonwealth by foreign building and loan associations; conferring powers and imposing duties upon the courts, recorders of deeds, and certain State departments, commissions, and officers; establishing limitations of actions; imposing penalties; and repealing certain acts and parts of acts.

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, as follows:

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ARTICLE I

SHORT TITLE AND PRELIMINARY PROVISIONS

Section 1. Short Title.—This act shall be known, and may be cited, as the "Building and Loan Code."

Section 2. Definitions.—A. The following terms shall be construed in this act to have the following meanings except in those instances where the context clearly indicates otherwise:

"Articles" includes the original articles of incorporation, any or all amendments thereto, articles of merger or consolidation, and also what have heretofore been

designated by law as certificates of incorporation or charters.

“Assets” includes all the property and rights of every kind of the association.

“Association” includes any building and loan association organized under this act, or heretofore organized under or by virtue of any other law of this Commonwealth.

“Authorized Capital” means the sum of the par value of the shares authorized to be issued by an association.

“Corporation” means a corporation or a joint stock association, organized under the laws of this Commonwealth, of the United States, or of any other state, territory, foreign country, or dependency.

“Department” means the Department of Banking of this Commonwealth.

“Incorporator” means a signer of the original articles of incorporation.

“Mortgage Loans” means loans which are secured, pursuant to the provisions of this act, by the bond of the borrower, by a mortgage on real property, and by installment shares.

“Person” means an individual, or an unincorporated association, including a partnership, a limited partnership, or any other form of unincorporated enterprise owned by two or more individuals.

“Shares” means the units into which the shareholders’ rights to participate in the control of a building and loan association are divided.

“Share Certificate” means a written instrument signed by the proper corporate officers as required by this act, and evidencing the fact that the corporation or person therein named is the registered owner of the shares therein described; it also includes the term “certificate of stock” as used in existing laws.

“Share Loans” means loans which are secured, pursuant to the provisions of this act, by the note of the borrower and by prepaid or installment shares.

“Shareholder” means a registered owner of shares in a building and loan association.

“Subscriber” means one who subscribes for shares in a building and loan association whether before or after incorporation.

“Written” includes printed, typewritten, engraved, lithographed, telegraphed, cabled, radiogramed, photographed, photostated, telephotographed, or other form of recorded or transmitted message.

B. The singular shall be construed to include the plural. The masculine shall be construed to include the feminine and the neuter, and conversely the neuter shall be construed to include the masculine and the feminine.

Section 3. Applicability of Act.—Every association, heretofore organized and incorporated under the act, approved the twenty-ninth day of April, one thousand

eight hundred seventy-four (Pamphlet Laws, seventy-three), entitled "An act to provide for the incorporation and regulation of certain corporations," its amendments and supplements, and every association heretofore created by any special act or formed under any general act, which has accepted in any manner whatsoever the Constitution of Pennsylvania and which, if not existing, would be required to incorporate under this act, shall hereafter be subject to the provisions of this act without formal reorganization hereunder, and shall be deemed to exist under this act. Except as herein otherwise specifically provided, the provisions of this act shall govern all such associations heretofore incorporated in this Commonwealth.

Section 4. Saving Clause.—A. The provisions of this act, in so far as they are the same as those of existing acts, shall be construed as a continuation of such acts, and not as new enactments. The repeal by this act of any existing act, or of any part thereof, shall not be construed to revive any act, or part of any act, heretofore repealed or superseded.

B. Except as otherwise specifically provided in this act, the provisions of this act shall not affect any act done, liability, duty or obligation incurred, or right accrued, prior to the effective date of this act, nor shall they affect any suit or prosecution pending or to be instituted to enforce any right or penalty or to punish any offense under the authority of any act repealed or superseded by this act.

C. The repeal of any act by this act shall not affect the corporate existence of any association heretofore created under any law of this Commonwealth.

D. Any person holding office under any act repealed by this act shall continue to hold such office until the expiration of his term, subject to the conditions attached to such office prior to the passage of this act.

E. All resolutions, regulations, and rules made pursuant to any act repealed by this act shall, unless inconsistent with any provision of this act, continue with the same force as if such act had not been repealed.

Section 5. Constitutional Construction.—It is hereby declared to be the legislative intent that if this act cannot take effect in its entirety because of the decision of any court holding unconstitutional any part hereof, the remaining provisions of the act shall be given full force and effect as completely as if the part held unconstitutional had not been included herein.

Section 6. Construction of References; Article and Section Headings.—A. Any reference in this act to any act by title, or otherwise, shall be construed to apply to and include any codification wherein the provisions of the act referred to are substantially reenacted.

B. Any reference in this act to the provisions of law on any subject shall apply to statutes and decisions be-

coming effective after the effective date of this act, as well as those then in existence.

C. Article and section headings shall not be construed to affect in any manner the scope or meaning of any article or section of this act.

Section 7. Jurisdiction of Courts.—Except where otherwise specifically provided, the provisions of this act shall not be deemed to curtail in any manner whatsoever the equity jurisdiction and powers of the courts of this Commonwealth.

Section 8. Notices to Corporations and Persons.—Unless expressly provided otherwise, all written notices required by this act to be given to any corporation or person shall be (1) served in the manner now or hereafter established by law for the service of writs of summons, except that such service need not be made by the sheriff, or (2) mailed or sent by telegram, charges prepaid, (a) in the case of an individual, to his last known residence or place of business, (b) in the case of an unincorporated association, or a corporation organized under the laws of this Commonwealth, to its principal office, and (c) in the case of a corporation incorporated under the laws of some other state, to its registered office in Pennsylvania, or, if it has no registered office in Pennsylvania, to its home office in the state of incorporation or in any other state.

If a notice is sent by mail, or by telegraph, such notice shall be deemed to have been given to the corporation or person addressed when it is deposited in the United States mail, or with a telegraph office, for transmission to such corporation or person.

Section 9. Advertisement or Notice in Newspapers.—A. Unless expressly provided otherwise, any advertisement or notice in a newspaper of general circulation, required by this act, shall be published in a newspaper of general circulation in the county, as defined by the Newspaper Advertising Act, approved the sixteenth day of May, one thousand nine hundred twenty-nine (Pamphlet Laws, one thousand seven hundred eighty-four), its supplements and amendments, in which the place of business of the association is, or in the case of a proposed institution will be, located, and which is published in the city, borough, or township in which such place of business is or will be located.

If there is no newspaper of general circulation published in the city, borough, or township, then the advertisement or notice shall be inserted in a newspaper of general circulation in the county, published at the county seat. If no newspaper of general circulation in the county is published at the county seat, then such advertisement or notice shall be inserted in the newspaper of general circulation published nearest to the city, borough, or township in which the place of business of such association is located and within the county. If there

is no newspaper of general circulation published within the county, then the advertisement or notice shall be inserted in the newspaper of general circulation published nearest to such city, borough, or township in an adjoining county.

B. Unless expressly provided otherwise, any advertisement or notice in a legal newspaper, required by this act, shall be published in the legal newspaper published within the county, as defined by the Newspaper Advertising Act, in which the place of business of the association is, or in the case of a proposed association will be, located.

C. Unless expressly provided otherwise, if this act requires advertisement or notice to be made both in a newspaper of general circulation and in a legal newspaper, and if there is no legal newspaper published within the county in which the place of business of the association is, or in the case of a proposed association will be, located, the advertisement shall be made in two newspapers of general circulation in the county, except that if two newspapers of general circulation are not published in the county, then such advertisement or notice shall be made in only one newspaper of general circulation, published in the county, or if none is published there, then in one newspaper published in an adjoining county, as provided by this section in any case in which a newspaper of general circulation is not published in the county.

D. Any proof of publication required by this act shall be in accordance with the requirements set forth in the definition of proof of publication contained in the Newspaper Advertising Act.

E. Any notice or advertisement in a newspaper, required by this act, shall be construed to refer to a newspaper published in the English language.

Section 10. Waiver of Notice.—A. Any notice required by this act, or by the articles or by-laws of any association governed by the provisions of this act, to be given to any corporation or person, may be waived by such corporation or person, either before or after the day prescribed for the giving of such notice. Such waiver shall be in writing and signed by such corporation or person.

B. Except in the case of a special meeting, neither the business to be transacted at nor the purpose of the meeting need be specified in the waiver of notice of such meeting.

C. Attendance of a director or of a shareholder, in person or by proxy, or of any other person, at any meeting shall constitute a waiver of notice of such meeting, except where he attends such meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called.

Section 11. Fees.—Except as otherwise specifically

provided, any prothonotary or recorder of deeds, and any State department, board, commission, or officer, shall be entitled to receive for services performed, as required by this act, such fees as are or may be lawfully charged for such or similar services.

Section 12. Powers of Department of State.—The Department of State shall have the power and authority reasonably necessary to enable it to perform the duties imposed upon it by this act. All articles, papers, and other documents, required by this act to be filed with the Department of State, shall be prepared in such form as shall be prescribed by the Department of State.

Section 13. Certificates and Certified Copies of Certain Documents to Be Received in Evidence.—All certificates issued by the Department of State in accordance with the provisions of this act, and all copies of articles, papers, and other documents filed with the Department of State in accordance with the provisions of this act, when certified by the Secretary of the Commonwealth, shall be taken and received by all courts, public offices, and official bodies as prima facie evidence of the facts therein stated. A certificate by the Department of State, under the seal of the Commonwealth, as to the existence or nonexistence of facts relating to corporations, which would not appear from any of the foregoing documents or certificates, shall be taken and received by all courts, public offices, and official bodies as prima facie evidence of the existence or nonexistence of facts therein stated.

ARTICLE II

NAMES AND PLACES OF BUSINESS OF ASSOCIATIONS

Section 201. Association Name; Change of Name.—

A. The name of an association may be in any language, but it shall be expressed in English letters or characters. It shall contain the words "building and loan association." The name of an association shall not contain the words "trust," "bank," "deposit," "discount," or any other word which may deceptively lead to the conclusion that it is authorized to perform any act or conduct any business which is forbidden to it by law, by its charter, or otherwise. The name of the association shall not contain the words "Pennsylvania," "Commonwealth," "State," "Government," "Official," "Federal," "National," or "United States."

The name of an association shall not be the same as, or deceptively similar to, that of any other corporation authorized to transact business in this Commonwealth, or the name of any unincorporated body whatsoever, voluntarily registered with the Department of State under any act, unless such other corporation or unincorporated body is about to change its name, or to cease doing business, or is being wound up, or, in the case of a foreign corporation, is about to withdraw from doing

business in this Commonwealth, and the written consent of such other corporation or unincorporated body to the adoption of its name, or a deceptively similar name, has been given and is filed with the Department of State and with the Department of Banking.

B. The provisions of this section shall not apply to any name which is in existence upon the effective date of this act. However, if the association bearing this name shall desire to change its name in any manner whatsoever, pursuant to the provisions of this act, the new name shall comply in every detail with the requirements of this section. A change in name shall be effected in the regular manner provided by this act for amending its articles.

C. This section shall not be construed to abrogate or limit the law as to unfair competition or unfair practices, nor derogate from the common law, the principles of equity, or the statutes of this Commonwealth with respect to the right to acquire and protect trade names.

D. The assumption of a name in violation of this section shall not vitiate or otherwise affect the corporate existence, but the court of common pleas of Dauphin County may, upon application of the Attorney General, acting on his own motion or at the instance of any administrative department, board, or commission of the Commonwealth, or the court of common pleas of the county in which the association has its place of business may, upon the application of any corporation or person adversely affected, enjoin the association from using or continuing to use a name assumed in violation of this section.

Section 202. Reservation of Association Name.—The exclusive right to the use of a name may be reserved (1) by any person intending to organize an association, or (2) by any association intending to change its name. Such reservation shall be made by filing with the Department of State an application to reserve a specified name, executed by the applicant. If the Department of State shall find that such name is available, it shall send a copy of such application to the Department of Banking. If the Department of Banking decides that such name is satisfactory to it, it shall forthwith give its written assent to the Department of State. The Department of State shall then reserve the name for the exclusive use of such applicant for a period of sixty days. The right to the exclusive use of a specified name so reserved may be transferred to any corporation or person, who, except for such prior reservation, would be entitled under the provisions of this act to reserve such name. Such transfer may be made by filing with the Department of State a notice of such transfer, which notice shall be executed by the applicant for whom such name was reserved, and shall specify the name and address of

the transferee. The Department of State shall send a copy of such notice to the Department of Banking.

Section 203. Place of Business; Change of Place of Business.—A. An association shall not hold any of the regular meetings of its directors, grant any loans, or transact any business, except at the place of business designated in its by-laws; but the collection of dues by any corporation or person authorized by the association to make such collection at any place other than the place of business of the association, and the holding of shareholders' meetings, shall not be construed to be the transaction of business within the meaning of this section. In the event that the place of business designated in the by-laws becomes unavailable, the directors may specify another place, within the city, borough, or township, as a temporary place of business.

B. An association may change its place of business to any place within the city, borough, or township named in its articles, in the manner provided in its by-laws. An association, upon changing its place of business, shall forthwith give notice of such change to the Department of Banking and the Department of State.

Section 204. Branch Offices and Sub-Agencies.—An association shall not establish, maintain, or operate, either directly or indirectly, any branch association, branch office, agency, sub-office, sub-agency, or branch place of business within this Commonwealth, for the holding of the regular meetings of its directors, the granting of any loans, or the transaction of any part of its business, but all of the business of such association shall be carried on solely and exclusively at its place of business. The collection of dues by any corporation or person authorized by the association to make such collection at any place other than the place of business of the association, and the holding of shareholders' meetings, shall not be construed to be the transaction of business within the meaning of this section.

ARTICLE III

FORMATION, ORGANIZATION, AND GENERAL CORPORATE POWERS OF ASSOCIATION

Section 301. Formation.—An association may be formed, pursuant to the provisions of this act, by fifteen or more incorporators. Such incorporators shall be natural persons of full age and of either sex, married or single. All of them shall be residents of this Commonwealth, and at least two-thirds of them shall be citizens of the United States or of its territories or possessions.

Section 302. Prohibition Upon Payment of, or Contract for, Promoters' Fees.—It shall be unlawful (1) for any fee, commission, or compensation to be paid to any corporation or person for the promotion or organization of an association, or (2) for any part of the money collected or to be collected from subscribers or share-

holders to be applied to the payment of promoters' fees for obtaining subscriptions or selling shares or for services in starting such association, whether such fee, commission, or compensation is provided for by the contract with the proposed association, with the promoters, with the subscribers, or otherwise. This prohibition shall not be construed to affect reasonable counsel fees paid or agreed to be paid to an attorney at law.

In any case in which there has been a violation of this section, the department shall have the power to disapprove the articles upon this ground alone.

Section 303. Articles of Incorporation.—Articles of incorporation shall be signed by each of the incorporators, and acknowledged by at least five of them before any officer within this Commonwealth authorized to take acknowledgments.

The articles shall set forth, in the English language:

- (1) The name of the proposed association.
- (2) The city, borough, or township in which it will establish its place of business.
- (3) A precise and accurate statement of the purpose or purposes for which it is organized, as well as a statement that it is organized under the provisions of this act.
- (4) The term for which it is to exist, which may be perpetual.
- (5) The par value of its shares.
- (6) The name, occupation, citizenship, place of residence, and post-office address of each incorporator.
- (7) The name, occupation, citizenship, place of residence, post-office address, and term of office of each of the first directors, and the number of shares to which he has subscribed.
- (8) Any provision not inconsistent with law which the incorporators may choose to insert for the regulation of the business and the internal affairs of the association.

Section 304. Advertisement of Articles.—The incorporators shall advertise their intention to file articles with the Department of State, one time in a newspaper of general circulation and one time in a legal newspaper. Advertisements shall appear at least three days prior to the day the articles are to be filed with the Department of State, and shall set forth briefly:

- (1) The name of the proposed association;
- (2) A statement that the proposed association is to be organized under the provisions of this act; and
- (3) The time when the articles will be filed with the Department of State.

Section 305. Filing of Articles; Payment of Fees or Charges.—A. The incorporators shall deliver, or cause to be delivered, to the Department of State a proof of publication of the advertisement of their intention to file articles of incorporation, the articles required by this act, and an affidavit stating all expenses connect-

ed with the organization of the association and the procuring of subscriptions, including any counsel fee paid to an attorney at law, and including a declaration that no fee, commission, or compensation of any other kind has been or is to be paid to any corporation or person for the promotion or organization of the association or for the procuring of subscriptions or the sale of its shares.

B. The Department of State shall examine the proof of publication and the articles to determine whether they contain all the information and are in the form required by this act, and whether the name of the proposed association is the same as one already adopted or reserved by any other corporation or person, or is so similar thereto that it is likely to mislead the public.

C. After all the fees and charges established by law have been paid, the Department of State shall, if the proof of publication and the articles contain the information and are in the form required by this act, and if the name of the proposed association does not violate any provision of this act, forthwith, but not prior to the day specified in the advertisement of the intention of the incorporators to file the articles, endorse its approval thereon, and transmit them to the Department of Banking.

D. If the Department of State shall disapprove the articles, pursuant to the provisions of this act, it shall forthwith give notice thereof to the proposed incorporators, stating in detail its reasons for doing so, and indicating how the incorporators can remedy their non-conformance with the provisions of this act. Upon remedying the defect, the incorporators may in the same manner file the same or amended articles whichever the particular case may require.

Section 306. Approval of Articles by Department of Banking.—A. The Department of Banking shall, immediately upon the receipt of the articles from the Department of State, conduct such investigation as it may deem necessary to ascertain from the best sources of information at its command:

(1) Whether the name of the proposed association is likely to mislead the public as to its character or purpose.

(2) Whether the convenience and advantage of the public will be served by the proposed incorporation, and whether the density of the population in the neighborhood designated for the place of business of such proposed association and in the surrounding country affords reasonable promise of adequate support for the enterprise.

(3) Whether the responsibility, character, and general fitness for the business of the incorporators and directors named in the articles are such as to command the confidence of the community and to warrant the belief that the business of the proposed association will

be honestly and efficiently conducted in accordance with the intent and purpose of this act.

(4) Whether any fee, commission, or compensation, other than a reasonable counsel fee, has been paid to any corporation or person for the promotion or organization of such association or whether any part of the money collected or to be collected from subscribers or shareholders has been or is to be applied to the payment of promoters' fees for obtaining subscriptions or selling shares or for services in starting such association, whether such fee, commission, or compensation is provided for by contract with the proposed association or by contract with the subscribers to the shares.

B. Within thirty days after the receipt of the articles from the Department of State, the Department of Banking shall, upon the basis of the facts disclosed by the investigation provided for by this section, either approve or disapprove the articles. It shall immediately notify the Department of State in writing of its action. If it shall approve the articles, it shall endorse its approval thereon and shall return them to the Department of State.

C. If the Department of Banking disapproves the articles, it shall return them to the Department of State, stating in detail its reasons for doing so. The Department of State shall immediately give notice to the proposed incorporators of the action of the Department of Banking and of the reasons therefor as stated to it by that department. The proposed incorporators may, within thirty days after the Department of State gives them notice of the disapproval of their articles, appeal from such disapproval to the Governor, who shall hear such appeal promptly, and, within thirty days thereafter, decide the matter and certify his decision to the Department of Banking. The decision of the Governor shall be conclusive and not subject to any review. The Department of Banking shall act in accordance therewith.

Section 307. Issuance of Certificate of Incorporation.—Immediately upon receipt of the approved articles of an association from the Department of Banking, the Department of State shall file the articles, and shall issue to the incorporators, or their representative, a certificate of incorporation, to which shall be attached a copy of the approved articles. The Department of State shall also send a copy of the approved articles to the Department of Banking. The articles upon being approved by the Department of State and the Department of Banking, and filed by the Department of State, shall constitute the charter of the association.

Section 308. Effect of Issuance of Certificate of Incorporation.—Upon the issuance of the certificate of incorporation of any association by the Department of State, the corporate existence shall begin. The certificate of incorporation shall be conclusive evidence of the fact

that the association has been incorporated, but proceedings may be instituted by the Commonwealth to dissolve, wind up, and terminate an association which should have been formed under some other act, or which has been formed without a substantial compliance with the conditions prescribed by this act.

Section 309. Fees for Investigation by Department of Banking.—In addition to any other fees or charges provided by law in the case of any corporation, the incorporators of an association shall pay to the Department of State, at the time they file their articles, such reasonable fees as shall be established, by rule and regulation, by the Department of Banking for the investigation, made by the Department of Banking pursuant to the provisions of this act, to determine whether the articles should be approved. Such fees shall be paid by the Department of State, through the Department of Revenue, into the Banking Department Fund.

Section 310. Organization Meetings.—A. After the issuance of the certificate of incorporation of an association, the first meeting of the shareholders shall be held within this Commonwealth, at the call of the shareholders who were the incorporators, or a majority of them, for the purpose of adopting such by-laws as this act or the articles of incorporation provide shall be adopted by the shareholders, and for such other purposes as shall be stated in the notice of the meeting. If the by-laws adopted at such meeting of the shareholders provide that any or all of the officers shall be elected by the shareholders, the shareholders shall proceed immediately to elect such officers. The persons calling the meeting shall give at least ten days' written notice thereof to each shareholder, which notice shall state the time, place, and purpose or purposes of the meeting.

B. After the issuance of the certificate of incorporation of an association, an organization meeting of the board of directors named in the articles shall be held within this Commonwealth, at the call of a majority of the directors, for the purpose of adopting such by-laws, if any, as the articles authorize the directors to adopt, for the purpose of electing such officers, if any, as the by-laws provide shall be elected by the directors, and for the transaction of such other business as may come before the meeting. The directors calling the meeting shall give at least five days' written notice of the time and place of the meeting to each director named in the articles.

Section 311. Power of Legislature to Alter or Revoke Charters.—The General Assembly may alter, revoke, or annul the charter of any association formed under this act, as provided by Article XVI, Section 10, of the Constitution.

Section 312. General Powers.—Subject to the limi-

tations and restrictions contained in this act or in its articles, every association shall have power:

(1) To continue as an association for the time specified in its articles, subject to the power of the General Assembly under the Constitution of this Commonwealth;

(2) To sue and be sued, complain and defend in its corporate name;

(3) To have a corporate seal, which may be altered at pleasure, and to use the same by causing it or a facsimile of it to be impressed or affixed, or in any manner reproduced;

(4) To make, alter, amend, and repeal by-laws, not inconsistent with its articles or with law, for the administration and regulation of the affairs of the association;

(5) To elect or appoint and remove officers and agents of the association, and to define their duties and fix their compensation;

(6) To have and exercise all of the powers and means necessary to effect the purpose or purposes for which the association is organized;

(7) To dissolve and wind up.

The powers herein enumerated shall not be construed as limiting or enlarging any grant of authority specifically granted elsewhere in this act, or as limiting the purpose or purposes for which an association may be organized, as set forth in its articles. It shall not be necessary to set forth in the articles of an association any of the powers enumerated in this section. Except as otherwise provided in this act, in the articles, or in the by-laws of a particular association, the powers herein enumerated shall be exercised by the board of directors of the association.

Section 313. By-Laws; Adoption, Amendment, or Repeal; Approval by Department.—A. Except as herein otherwise provided, the shareholders shall have the power to make, alter, amend, and repeal the by-laws of an association. The authority to make by-laws may be expressly vested by the articles in the board of directors, subject to the power of the shareholders to change or repeal such by-laws, but the board of directors shall not make or alter any by-laws fixing their qualifications, classification, term of office, or compensation, or any by-laws regulating the proportion of the profits of the association or the rate of interest paid to a withdrawing shareholder. Unless the articles or by-laws otherwise provide, the by-laws shall be adopted, altered, amended, and repealed by a majority vote of the board of directors or of the shareholders entitled to vote thereon, as the case may be, at any regular or special meeting duly convened after notice to the shareholders or directors of that purpose.

B. The by-laws of an association may contain any provision for the regulation and management of the

affairs of such association not inconsistent with law or the articles.

C. Immediately upon the adoption of the by-laws, or of any additions thereto, or any alteration, amendment, or repeal thereof, notice of such fact and a copy of such by-law or such alteration, amendment, or repeal shall forthwith be sent to the Department of Banking. The Department of Banking shall have the power to disapprove, for any reasonable cause stated in writing, any such by-law or any such alteration, amendment, or repeal thereof, but such by-law, alteration, amendment, or repeal shall be effective until the department actually disapproves it and gives notice thereof to the association.

Section 314. Parties Bound by By-Laws; Execution of Instruments.—A. The by-laws of an association shall operate merely as regulations among the shareholders of the association, and shall not affect contracts or other dealings with other corporations or persons, unless such corporations or persons have actual knowledge of such by-laws, or unless the association has given to such corporations or persons a copy of such by-laws.

B. Any form of execution provided in the by-laws to the contrary notwithstanding, any note, mortgage, evidence of indebtedness, contract, or other instrument of writing, or any assignment or endorsement thereof, executed or entered into between an association and any other corporation or person, when signed by the president or vice-president and by the secretary or treasurer of such association, shall be held to have been properly executed for and in behalf of the association.

ARTICLE IV

DIRECTORS AND OFFICERS

Section 401. Number and Election of Directors; Executive Committee.—Subject to the provisions of this act, the number, qualifications, terms of office, manner of election, time and place of meeting, compensation, and powers and duties of the directors of an association may be prescribed from time to time by the by-laws. Except as otherwise provided in the by-laws—

(1) A director shall be elected for a term of one year.

(2) The number of directors shall be the same as that stated in the articles.

(3) Vacancies in the board of directors shall be filled by the remaining members of the board, though less than a quorum, and each person so elected shall be a director until his successor is elected by the shareholders, who may make such election at the next annual meeting of the shareholders, or at any special meeting duly called for that purpose and held prior thereto.

(4) The regular meetings of the board of directors shall be held at the place of business of the association,

but special meetings may be held at such place within this Commonwealth as a majority of the directors may from time to time designate.

(5) A majority of all the directors in office shall be necessary to constitute a quorum for the transaction of business, and except as otherwise provided in this act, or in the articles or by-laws of a particular association, the acts of a majority of the directors who are present, at a meeting at which a quorum is present, shall be the acts of the board of directors.

(6) The board of directors may, by resolution passed by a majority of the whole board, delegate three or more of its number to constitute an executive committee, which, to the extent provided in such resolution, shall have and exercise the authority of the board over the ordinary operations of the business of the association between the dates of the monthly meetings of the board. Every such committee shall keep full minutes of all business transacted by it, and shall present detailed reports of all such transactions at each monthly meeting of the board.

Section 402. Term of Office and Qualification of Directors.—A. The business and affairs of every association shall be managed by a board of at least five directors. Except as otherwise provided by this act or by the articles or by-laws of the association, such board of directors shall exercise all the powers and fulfill all the duties granted to or imposed upon the association by this act.

B. Each director shall hold office for the term for which he is elected and until his successor shall have been duly elected and qualified. The names and terms of office of the first directors shall be stated in the articles. Except as otherwise provided in this act for the filling of vacancies, directors, other than those constituting the first board of directors, shall be elected by the shareholders.

C. Every director shall, during his term of office, be a citizen of the United States and a bona fide resident in this Commonwealth. Every director shall own, in his own name, and free of any lien or encumbrance, at least five shares of the association, but the number of shares required to be owned by any person who is a director of an association upon the effective date of this act shall be the same as was required by the articles or by-laws of such association prior to the effective date of this act, so long as such director shall serve continuously. The share certificates or the passbook or other receipt for the minimum number of shares which each director is required to own, free of any lien or encumbrance, shall be filed, unendorsed, unpledged, and unassigned by him, with the treasurer of the association. Such shares shall remain in the custody of the treasurer during the term of office of such director.

Any director who, during his term of service, pledges, assigns, or in any manner ceases to be the owner in his own name of the number of shares which he is required to own, free of any lien or encumbrance, shall forthwith cease to be a director of the association, and his office shall be vacant. Any vacancy thus occurring shall be filled in the regular manner for filling vacancies in the board.

Section 403. Classification of Directors.—If the by-laws of an association so provide, the directors may be classified in respect to the time for which they shall severally hold office. In such case, each class shall be as nearly equal in number as possible, the term of office of at least one class shall expire in each year, and the members of a class shall not be elected for a shorter period than one year, or for a longer period than four years. At each ensuing election of directors after such classification, only the number of directors equal to the number of the class whose terms expire at the time of the election shall be elected, and such directors shall be elected for the longest term for which any class may have been elected as provided in this section.

Section 404. Meetings of Board of Directors; Notice Thereof.—A. The board of directors of every association shall hold a regular meeting at its place of business at least once in each month. Meetings of the board of directors shall be held upon such notice as the by-laws may prescribe. Unless the by-laws provide otherwise, written notice of any special meeting of the board of directors shall be given to each director. When any regular or special meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting, or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken, unless otherwise provided in the by-laws.

B. The board of directors shall require the secretary of the association to keep complete records of their proceedings in a minute book kept for that purpose. When a director shall request it, the vote of each director upon a particular question shall be recorded in the minutes.

Section 405. Compensation of Directors.—The directors of an association shall be entitled to such compensation for their services as directors as is provided in its articles or by-laws. A director may also be a salaried officer of the association.

Section 406. Examination and Report by Board of Directors.—A. The board of directors of every association shall, once in each year, make or cause to be made by at least three of the members of the board, or by an accountant or accountants employed for the purpose, a detailed examination of the books, papers, securities, and affairs of the association and the loans thereof, and into such other matters as the department may require. The

board of directors shall have the power to employ such an assistant or assistants as they may deem necessary to make such examination.

B. As soon as such examination is completed, a detailed written report thereof, signed under oath or affirmation by the directors or certified to by the accountant or accountants making such examination, shall be sent to the department. A copy thereof shall be placed on file with the association and properly noted on its minutes.

Section 407. Communications from Department of Banking.—Every official communication directed by the department to an association, or to any officer thereof, shall be transmitted by the officer receiving it to the board of directors at the next meeting of such board, and shall be duly noted in the minutes of such meeting.

Section 408. Disqualification of Directors.—If a director of an association shall, for six successive months, or such shorter period as is established by the by-laws, fail to attend any of the regular meetings of the board of directors of such association without having been, during such period, excused by the board for such failure to attend, his office may forthwith be declared vacant by the board of directors, but he shall be eligible for reelection.

Section 409. Removal of Directors.—A. The entire board of directors, or any individual director, may be removed from office by a majority vote of the holders of the outstanding shares entitled to vote at an election of directors. In case the board, or any one or more directors, be so removed, new directors may be elected at the same meeting. Unless the entire board be removed, no individual director shall be removed in case the votes of a sufficient number of shares are cast against the resolution for his removal, which, if cumulatively voted at an election of the full board, would be sufficient to elect one or more directors.

B. The board of directors may declare vacant the office of a director if he be declared of unsound mind by an order of court, or convicted of felony, or if, within sixty days, or such other time as the by-laws may specify, after notice of his election, he does not accept such office either in writing or by attending a meeting of the board of directors, and fulfill such other requirements or qualifications as the by-laws may specify.

C. The court of common pleas of the county where the place of business of the association is located may, at the suit of any shareholder or shareholders holding at least ten per cent of the outstanding shares, remove from office any director or directors in case of fraudulent or dishonest acts, or gross abuse of authority or discretion, with reference to the association, and may bar from reelection any director so removed for a period pre-

scribed by the court. The association shall be made a party to such actions.

Section 410. Officers of Associations; Removal; Compensation.—A. Every association shall have a president, a vice-president, a secretary, and a treasurer, and may have such additional officers as shall be provided for in the by-laws. Any two or more offices may be held by the same person, except that the same person shall not at the same time be holder of more than one of the following offices: President, vice-president, secretary, treasurer, and solicitor; in addition, when an association has a conveyancer, the president, vice-president, secretary, or treasurer of such association shall not at the same time be the conveyancer of the association.

B. The officers of an association shall be selected at least annually by the board of directors, unless the by-laws provide a different method. The president, vice-president, and secretary of an association shall be required to be members of the board of directors of the association.

C. Unless specifically provided otherwise in the by-laws, the board of directors shall fix the compensation of all officers.

D. Any officer may be removed by the board of directors whenever in its judgment the best interests of the association will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

E. Unless specifically provided otherwise in the by-laws, the board of directors shall have the power to fill any vacancies created by the death, removal, resignation, or otherwise, of any officer.

F. The officers, as between themselves and the association, shall have such authority and perform such duties as shall be specified by the by-laws.

Section 411. Bonds of Officers and Employes.—A. The officers and employes of every association, as well as any directors who are authorized to receive payments of moneys or to handle negotiable securities on behalf of such association, shall, before entering upon the performance of their duties, furnish to it bonds in such amount as is specified, with such corporate surety as is approved, by the directors. Such bond shall be conditioned upon the faithful performance of the duties of such officers, directors, or employes. The cost of such bonds may be paid by the association.

B. The department shall have the power to require any such officer, employe, or director, at any time during his term of office or employment, to furnish a bond in an amount greater than that required by the board of directors, or it may require new or additional corporate surety.

Section 412. Women May Be Directors or Officers.—

Women, married or single, may serve as officers or directors of an association.

Section 413. Power of Attorney to Make Entries of Record.—A. Every association shall, by power of attorney filed of record in the office of the recorder of deeds in any county in which it may have occasion or in which it may be required to enter acknowledgment of payments, assignment, extension, postponement, release or satisfaction of, or to take any other action affecting the lien of any mortgage which appears upon the records in such office, designate a person or persons who shall be authorized in the name of such association to make such entries. The officer or employe of an association who has custody of the mortgage papers of such association shall not be designated to make such entries.

B. Such recorder of deeds shall not permit any person, other than the person or persons so designated, to make such entries for such association.

Section 414. Acceptance of Fee or Commission by Director, Officer, Solicitor, or Employe.—A. A director, an officer, a solicitor, a conveyancer, or an employe of an association shall not, directly or indirectly, stipulate for, or agree or assent to receive, or receive, any money or other thing of value as a fee, commission, or gift from any corporation or person for procuring, or for endeavoring to procure, for such corporation or person, or for any other corporation or person, or for performing any service in connection with, any loan from, or any investment by, such association.

B. Any director, officer, solicitor, conveyancer, or employe of an association, who knowingly violates the provisions of this section, shall be guilty of a misdemeanor, and shall, upon conviction thereof, be subject to a fine not exceeding a sum equal to three times the amount of the value of the property which he receives as such fee, commission, or gift. In addition, he shall be disqualified from acting as a director, officer, solicitor, conveyancer, or employe of any association within this Commonwealth for a period of five years after the date of such conviction.

Section 415. Purchases from and Sales to Directors, Officers, Solicitors, or Employes.—A. An association shall not contract for or purchase from any of its directors, officers, solicitors, or employes any securities or other property, unless such purchase is made in the regular course of business upon terms not less favorable to the association than those offered to any other corporation or person, unless such purchase could not be made from another reliable source at a more favorable price or upon more favorable terms, and unless such purchase is authorized by the vote of at least two-thirds of all the members of the board of directors of such association, who are not interested in such transaction except in their capacity as directors of the association.

B. An association shall not sell securities or other property, owned or held by it, to any of its directors, officers, solicitors, or employes, unless such sale is made in the regular course of business upon terms not less favorable to the association than those offered to any other corporation or person, unless such sale could not be made elsewhere at a more favorable price or upon more favorable terms, and unless such sale is authorized by the vote of at least two-thirds of all the members of the board of directors of such association, who are not interested in such transaction except in their capacities as directors of the association.

C. For the purpose of this section, a purchase from or a sale to a corporation of which any director, officer, solicitor, or employe, described in this section, owns ten per centum or more of the outstanding shares, or a purchase from or a sale to an unincorporated association of which any such director, officer, solicitor, or employe is a member, shall be considered a purchase from or a sale to such director, officer, solicitor, or employe.

D. Any director, officer, solicitor, or employe of an association, who knowingly violates the provisions of this section, shall be guilty of a misdemeanor, and shall, upon conviction thereof, be subject to an imprisonment not exceeding one year, or a fine not exceeding one thousand dollars, or both; he shall also be subject to a further fine equal to any profit which he shall have made upon the transaction.

ARTICLE V

MEETINGS, RIGHTS, AND LIABILITIES OF SHAREHOLDERS

Section 501. Meetings of Shareholders.—A. Meetings of the shareholders of an association shall be held within this Commonwealth at such place as may be provided in the by-laws of the association. Unless the by-laws provide otherwise, all meetings of the shareholders shall be held at the place of business of the association. In the event that the place of business or the place designated in the by-laws becomes unavailable for the holding of a meeting of the shareholders, the directors may, upon notice to all shareholders, specify another place within the city, borough, or township as a temporary meeting place.

B. The by-laws may provide for the number and the time of meetings of shareholders, but at least one regular meeting of the shareholders shall be held in each calendar year for the election of directors at such time as shall be provided in the by-laws. If the annual meeting shall not be called and held within one month after the designated time, any shareholder shall have the power to call upon the department to issue an order in the manner provided by law to compel the calling and holding of such meeting.

C. Special meetings of shareholders may be called at any time by the president, or the board of directors,

or the holders of not less than one-fifth of all the shares outstanding and entitled to vote at the particular meeting, or by such other officers or persons as may be provided in the articles or by-laws. At any time, upon written request of any person entitled to call a special meeting, it shall be the duty of the secretary of the association to call a special meeting of the shareholders to be held at such time as the secretary of the association may fix, not less than ten nor more than sixty days after the receipt of the request. If the secretary shall neglect or refuse to issue such call, the person or persons making the request shall have the power to call upon the department to issue an order, in the manner provided by law, to compel the calling and holding of such meeting.

D. Any annual or special meeting may be adjourned for any period of time, but any meeting at which directors are to be elected shall be adjourned only from day to day until such directors have been elected.

Section 502. Notice of Meetings of Shareholders.—In the case of all special meetings of the shareholders, and in the case of any regular meeting, the time and the place of which are not stated in the by-laws, written notice of such meeting shall be given by, or at the direction of, the person authorized to call the meeting, to each shareholder of record entitled to vote at the meeting, at least five days prior to the day named for the meeting, unless a greater period of notice is required elsewhere in this act. If the time and the place of a regular meeting of the shareholders are stated in the by-laws, it shall be sufficient, in addition to any other notice, if any, required by the by-laws, to post a notice at the place of business of the association during the two months immediately preceding the date of such meeting. The notice required by this section shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the general nature of the business to be transacted. When a meeting is adjourned it shall not be necessary to give any notice of the adjourned meeting, or of the business to be transacted at the adjourned meeting, other than by announcement at the meeting at which such adjournment is taken, unless otherwise provided in the by-laws.

Section 503. Quorum of Shareholders.—A shareholders' meeting duly called shall not be organized for the transaction of business unless a quorum is present. Unless otherwise specifically provided in this act, in the articles, or in the by-laws—

(1) The presence, in person or by proxy, of the holders of a majority of the outstanding shares entitled to vote shall constitute a quorum.

(2) The acts of the holders of a majority of the shares represented at any meeting at which a quorum is present shall be the acts of the shareholders.

(3) If a meeting cannot be organized because a

quorum has not attended, those present may adjourn the meeting to such time and place as they may determine; but in the case of any meeting called for the election of directors, those who attend the second of such adjourned meetings, although less than a quorum as fixed in this section or in the articles or by-laws, shall nevertheless constitute a quorum for the purpose of electing directors.

Section 504. Shareholders May Vote in Person or by Proxy.—Except as otherwise specifically provided in this act, every shareholder of record of an association shall have the right, at every shareholders' meeting, to one vote for every share standing in his name on the books of the association. Every shareholder may vote either in person or by proxy. Every proxy shall be executed in writing by the shareholder, or by his duly authorized attorney in fact, and filed with the association. A proxy, unless coupled with an interest, shall be revocable at will notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until notice thereof has been given to the association. No unrevoked proxy shall be valid after eleven months from the date of its execution unless coupled with an interest. A proxy shall not be revoked by the death or incapacity of the maker unless, before the vote is counted or the authority is exercised, written notice of such death or incapacity is given to the association. A shareholder shall not sell his vote or execute a proxy to any person for any sum of money or anything of value.

Section 505. Election of Directors; Cumulative Voting.—Unless otherwise provided in the by-laws, elections for directors need not be by ballot, except upon demand made by a shareholder at the election and before the voting begins. In all elections for directors, every shareholder entitled to vote shall have the right, in person or by proxy, to multiply the number of votes to which he may be entitled by the number of directors to be elected, and he may cast his whole number of such votes for one candidate or he may distribute them among any two or more candidates. The candidates receiving the highest number of votes up to the number of directors to be chosen shall be elected.

Section 506. Voting by Trustees and Pledges.—Shares of an association held in a fiduciary capacity by a fiduciary appointed by last will and testament, or by decree of the orphans' court, shall be voted by such fiduciary, either in person or by proxy, in the manner and under the circumstances provided by law. Shares standing in the name of a fiduciary other than one appointed by last will and testament or by decree of the orphans' court, or shares held by an assignee for the benefit of creditors, or by a receiver, may be voted by such fiduciary, assignee, or receiver, either in person or

by proxy. A shareholder whose shares are pledged to anyone other than the association shall be entitled to vote thereon, in person or by proxy, until the shares have been transferred on the books of the association to the pledgee or nominee, and thereafter the pledgee or nominee shall be entitled to vote the shares in person or by proxy. A shareholder whose shares are pledged to the association shall be entitled to vote such shares in person or by proxy.

Section 507. Voting by Joint Holders of Shares.—Where shares of an association are held jointly or as tenants in common by more than one corporation or person, the will of the majority of such holders shall control the manner of voting or the giving of a proxy. If the shares are held jointly or as tenants in common by two or any other even number of corporations or persons, and they are equally divided upon the manner of voting the shares held by them, the vote of such shares shall be divided equally among such persons. If only one or more of such holders are present in person or by proxy, he or they shall have the right to vote all such shares, and all of the shares standing in the names of such corporations or persons shall be deemed to be represented for the purpose of determining a quorum. Except as hereinafter provided, the same shall be true in the case of fiduciaries, other than those appointed by last will and testament or by decree of the orphans' court, unless such fiduciaries have been appointed under an instrument or a decree of court which directs otherwise. Where in any case such fiduciaries are equally divided upon the manner of voting the shares jointly held by them, it shall be lawful for the court of common pleas, upon petition filed by any of the fiduciaries, or by any beneficiary, to direct the voting of such shares in the manner which, in the opinion of the court, will be for the best interests of the parties beneficially interested in the shares.

Where shares of an association are held jointly in a fiduciary capacity by two or more fiduciaries appointed by last will and testament or by decree of the orphans' court, they shall be voted in the manner and under the circumstances provided by law.

Section 508. Voting Shares Held by a Corporation.—An association or other corporation owning shares in an association or in any other corporation may vote them by its president, or by proxy appointed by him, unless some other person, by resolution of its board of directors, shall be appointed to vote such shares, in which case such person shall be entitled to vote the shares upon the production of a certified copy of such resolution.

Section 509. Determination of Shareholders of Record.—A. Unless the by-laws otherwise provide, the board of directors of an association may fix a time, not less than ten or more than forty days, prior to the date

of any meeting of shareholders, as a record date for the determination of the shareholders entitled to notice of, and to vote at, any such meeting. In such case only such shareholders as shall be shareholders of record on the date so fixed shall be entitled to notice of, and to vote at, such meeting, notwithstanding any transfer of any shares on the books of the association after any record date fixed, as aforesaid. The board of directors may close the books of the association against transfers of shares during the whole or any part of such period, and in such case written notice thereof shall be given, at least ten days before the closing thereof, to each shareholder of record at the address appearing on the records of the association or supplied by him to such association for the purpose of notice. While the stock transfer or other books of such association are closed, no transfer of shares shall be made thereon. Unless a record date is fixed by the by-laws or the board of directors for the determination of shareholders entitled to receive notice of, or to vote at, a shareholders' meeting, transferees of shares which are transferred on the books of the association within ten days next preceding the date of such meeting shall not be entitled to notice of, or to vote at, such meeting.

B. Holders of matured shares, or holders of shares which have been voluntarily or involuntarily withdrawn, or holders of shares who have not assented to or have dissented from a merger or a consolidation, shall be entitled to notice of, and to vote at, any meeting of shareholders, until they shall have been paid in full the amount lawfully due them on account of their shares. The exercise of such right to vote at a meeting shall not constitute waiver of, or in any way affect, any rights granted by law to such shareholders by virtue of the maturing of their shares, or of their withdrawal from the association, either voluntarily or involuntarily, or of their failure to assent to, or their dissent from, a plan of merger or consolidation.

C. Shareholders whose shares have been issued less than sixty days prior to the date of a meeting shall not be permitted to vote such shares at any meeting of the association.

Section 510. Judges of Election.—A. In advance of any meeting of shareholders of an association, the board of directors may appoint a judge or judges of election, who need not be shareholders, to act at such meeting or any adjournment thereof. If a judge or judges of election be not so appointed, the chairman of any such meeting may, and on the request of any shareholder or his proxy shall, make such appointment at the meeting. The number of judges shall be one or three. If appointed at a meeting on the request of one or more shareholders or proxies, the majority of shares present and entitled to vote shall determine whether one or three judges are

to be appointed. No person who is a candidate for office shall act as a judge.

B. In case any person appointed as judge fails to appear or fails or refuses to act, the vacancy may be filled by appointment made by the board of directors in advance of the convening of the meeting, or at the meeting by the person acting as chairman.

C. The chairman of the meeting, or if a judge or judges of election have been appointed, then such judge or judges, shall determine the number of shares outstanding, the voting power of each, the shares represented at the meeting, the existence of a quorum, the authenticity, validity, and effect of proxies, receive votes or ballots, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes, determine the result, and do such acts as may be proper to conduct the election or vote with fairness to all shareholders. The judges of election shall perform their duties impartially, in good faith, to the best of their ability, and as expeditiously as is practical. If there be three judges of election, the decision, act, or certificate of a majority shall be effective in all respects as the decision, act, or certificate of all.

D. On request of the chairman of the meeting, or of any shareholder or his proxy, the judge or judges, if any, shall make a report in writing of any challenge or question or matter determined by them, and execute a certificate of any fact found by them. If a judge or judges have not been appointed, the chairman on request of any shareholder or his proxy shall make such report. Any report or certificate made by the judge or judges, or the chairman, as the case may be, shall be prima facie evidence of the facts stated therein.

Section 511. Informal Action by Shareholders.—Except for the action required by this act for increasing the capital of an association, any action required by this act to be taken at a meeting of the shareholders may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders who would be entitled to vote at a meeting for such purpose, and shall be filed with the secretary of the association.

Section 512. Immunity of Shareholders.—A shareholder of an association shall not, merely by reason of his ownership of shares, be personally liable for any debt or liability of the association.

ARTICLE VI

CREATION, TRANSFER, WITHDRAWAL, AND MATURITY OF SHARES

Section 601. Authorized Capital; Par Value of Shares and Change Therein.—A. Unless specifically

otherwise provided in the articles of an association, the number of shares which it may issue shall be unlimited.

B. The shares of an association shall have a par value of not less than one hundred dollars each nor more than two hundred dollars each, but every share issued by an association shall have the same par value as every other share. This provision shall not affect the right of any association which prior to the effective date of this act has issued shares of a par value less than one hundred dollars or more than two hundred dollars to continue issuing shares of such par value, nor shall it affect the right of any association which upon the effective date of this act has issued and outstanding shares of more than one par value to continue to issue such shares.

Any association may, by amending its articles in the manner prescribed by this act, change the par value of its shares, but such change shall not be to an amount less than one hundred dollars each nor more than two hundred dollars each. Whenever such change in par value is made, every holder of a share for which a share certificate has been issued shall return such share certificate to the association, and upon the surrender and cancellation of such share certificate, the association shall issue to such shareholder the proper number of share certificates at the new par value.

C. An association may issue fractional shares.

Section 602. Issuances of Shares; Series.—A. The shares of an association may be issued in a single series, they may be issued in any number of series, or they may be issued non-serially, at such times and in such manner as shall be stated in the articles or by-laws of the association. Except as otherwise specifically provided in the articles or by-laws of an association, the number of shares which it may issue in a single series shall be unlimited.

B. Except as otherwise specifically provided in the articles or by-laws of an association, the issuance of shares of a new series shall operate to close the prior series and the association shall not thereafter issue any share in such prior series.

C. Except as otherwise specifically provided in the articles or by-laws of an association, shares which have been withdrawn, whether voluntarily or involuntarily, or shares which have been cancelled, whether because of failure to pay dues, installments, fines, premiums, or for any other reason, shall not, after the holders of such shares have received full payment or credit due them on such shares, be reissued nor new shares issued in their stead.

Section 603. Prohibition on Preferred Shares; Shares as Personal Property.—A. An association shall not issue preferred shares.

B. Shares of an association shall be deemed personal property.

Section 604. Membership or Withdrawal Fees; Other Charges.—An association shall not levy upon any shareholder, or upon any corporation or person intending to become a shareholder, a membership or withdrawal fee, or any other charge not specifically permitted by this act.

Section 605. Payments for Installment, Full-Paid, and Prepaid Shares.—An association may issue shares under any or all of the following plans of payment:

(1) Shares, the par value of which is to be paid in part by periodical payments in cash at such times and in such amounts as shall be established by the articles or by-laws and in part by accrual of earnings on such shares. Such periodical payments shall be known as dues, and such shares shall be known as installment shares.

(2) Shares, the par value of which has been paid by a single cash payment at the time of their issuance. Such shares shall be known as full-paid shares.

(3) Shares, the par value of which has been paid in part by a single cash payment at the time of their issuance and in part by accrual of earnings on such shares. Such shares shall be known as prepaid shares.

Section 606. Lien on Shares.—Every share shall be subject to a lien for the payment of any indebtedness or charges due to the association. The by-laws may prescribe the manner of enforcing such lien.

Section. 607. Share Certificates; Issuance and Preservation.—A. Every association shall furnish to each holder of record of an installment share a copy of the by-laws of the association and of all amendments thereto, and a receipt, by pass book or otherwise, for all dues, premiums, fines, or other payments made to the association by him, but an association shall not be required to issue a share certificate to any holder of an installment share.

B. Every association shall furnish to each holder of record of a prepaid or a full-paid share a copy of the by-laws of the association and of all amendments thereto, and a share certificate, upon which the name of the association shall be printed, and which shall state:

(1) That the association is incorporated under the laws of this Commonwealth.

(2) The name of the registered holder of the shares represented thereby.

(3) The date of issuance of the shares.

(4) The type of shares which the certificate represents, that is whether they are prepaid or full-paid.

(5) The number of shares which the certificate represents.

(6) The par value of each share represented, and, in the case of prepaid shares, the amount of the single cash payment made on each share by the shareholder.

C. Every share certificate shall be signed by the

president or vice-president and the secretary or treasurer, or by such officers as the by-laws may provide, and sealed with the corporate seal. In case any officer who has signed any share certificate shall have ceased to be such officer, because of death, resignation, or otherwise, before the certificate is issued, it may be issued with the same effect as if the officer had not ceased to be such at the date of its issue.

D. Share certificates shall bear printed consecutive numbers and shall be issued from a bound share certificate book, containing a stub for each certificate. Each stub shall bear the same number as the share certificate which was attached to it, the name and address of the person in whose name the share certificate is issued, the number of shares represented by the certificate, and the date of the issuance of the certificate. The president or vice-president and the secretary or treasurer, or such officers as the by-laws provide, shall certify on each stub that the information contained thereon is correct and in accordance with the share certificate bearing the same number.

E. Upon the withdrawal of prepaid or full-paid shares and upon payment by the association, the certificate representing such shares shall be surrendered to the association and preserved by it indefinitely. Likewise, any share certificate for which the association has issued a substitute certificate, or which for any other reason has been surrendered to the association, shall be preserved by it indefinitely.

Section 608. Shares Held in Name of Minor.—Any association may issue shares in the name of any minor not less than sixteen years of age, and shall pay the dividends or earnings thereon, as well as the withdrawal or maturity value of such shares, to such minor, without the assent of his parent or guardian. The receipt, acquittance, or other action required by the association to be taken by the minor shall be a valid release to the association. The parent or guardian of such minor shall not, in his capacity as parent or guardian, have the power to attach, or in any manner transfer, any shares issued to or in the name of such minor.

Section 609. Shares Held in Name of Two or More Persons.—A. Whenever shares of an association shall be issued in the names of two or more persons, the association shall not pay any dividends or earnings thereon, or the withdrawal or maturity value thereof, except upon proper receipt, acquittance, or other action, as the case may be, of all of such persons, unless at the time of subscribing to the shares, or at a subsequent time, all the parties agree to a different arrangement, and give the association written notice thereof.

B. Whenever shares of an association shall be issued in the names of two or more persons, and such shares shall have been subscribed for under an arrangement

with the association whereby the dividends or earnings thereon, or the withdrawal or maturity value thereof, may be paid upon receipt, acquittance, or other action, as the case may be, of either or any of such persons, the association may pay such dividends, earnings, withdrawal value, or maturity value upon such receipt, acquittance, or other action, as the case may be, of either or any of such persons, pursuant to the arrangement provided for in this section, notwithstanding the fact that one or more of the other persons may be dead and the association has notice thereof.

C. This section shall not be construed to affect shares in the names of a husband and his wife.

Section 610. Death of One Holding Shares as Trustee.—Whenever shares of an association shall be issued to any person describing himself in subscribing for such shares as trustee for any person, and no other notice of the existence and terms of a valid trust than such description shall have been given to the association, the dividends or earnings on such shares, as well as the withdrawal or maturity value of such shares, shall, in the event of the death of the person so described as trustee, be paid to the person for whose benefit the shares were stated to have been subscribed if, at the time of such death, such beneficiary is over sixteen years of age. If he is a minor not less than sixteen years of age, such payment shall be made to him under the same conditions as in the case of shares originally subscribed for by such minor.

Section 611. Transfer of Shares.—A. Installment shares, for which share certificates have not been issued, shall be transferable in the manner provided by the by-laws of the association, provided such by-laws are not inconsistent with law.

B. Except as otherwise specifically provided in this act, the transfer of shares for which share certificates have been issued, and the share certificates representing them, may be regulated by the by-laws, provided such by-laws are not inconsistent with the provisions of the Uniform Stock Transfer Act, approved the fifth day of May, one thousand nine hundred eleven (Pamphlet Laws, one hundred twenty-six), its amendments and supplements.

Section 612. Voluntary Withdrawals.—A. Any shareholder may, upon giving written notice to the association, withdraw any shares, whether full-paid, pre-paid, or installment, which are not pledged to the association as security for a mortgage loan granted by it. The secretary or other officer designated by the by-laws of the association shall endorse, on the written notice of an intention to withdraw required by this section, the date of its receipt by the association, and shall record such notice and the date of its receipt by the association

in a book to be used solely for the recording of notices of withdrawals.

B. The association shall pay to a shareholder who has withdrawn his shares the amount paid to the association by him on such shares, less all fines or other indebtedness or charges due by him, plus such proportion of the earnings of the association or such rate of interest as may be prescribed by the by-laws of the association, minus the losses properly apportionable to such shares, but the board of directors may, by general rule or regulation and with the prior written consent of the department, change such proportion of earnings or such rate of interest. The amount payable to a shareholder who has withdrawn his shares shall be known as the withdrawal value of his shares. Except as herein otherwise specifically provided, a withdrawal shall become effective thirty days after presentation by the shareholder of the written notice required by this section at a meeting of the association, or if not presented by him at a meeting, then thirty days after the first meeting of the association held after the receipt of such notice at the place of business of the association.

Section 613. Involuntary Withdrawal of Prepaid or Installment Shares.—A. An association may, at or before maturity, compel withdrawal of prepaid or installment shares which are not pledged to the association as security for mortgage loans granted by it, but it shall not have the power to compel withdrawal of any prepaid or any installment share, as the case may be, unless it shall have on hand sufficient funds to pay such withdrawals immediately and until all prepaid or all installment shares, respectively, issued prior to the date of issuance of such share have first been voluntarily or involuntarily withdrawn. In the case of installment shares issued in series, such compulsory withdrawal shall be pro rata among the shares of the same series.

B. The association shall pay on each prepaid share thus involuntarily withdrawn the full amount of the cash payment made thereon by the shareholder at the time of the issuance of such share, plus the full portion of the accumulated earnings of such association properly apportionable to such share.

C. The association shall pay on each installment share thus involuntarily withdrawn the full amount of the dues paid thereon by the shareholder, plus the full portion of the accumulated earnings of such association properly apportionable to such share.

Section 614. Involuntary Withdrawal of Full-Paid Shares.—An association may compel withdrawal of full-paid shares which have been issued at least two years prior to the date of such involuntary withdrawal, but it shall not have the power to compel withdrawal of any full-paid share unless it shall have on hand sufficient funds to pay such withdrawals immediately and until

all full-paid shares issued prior to the date of issuance of such share have first been voluntarily or involuntarily withdrawn. The association shall pay on each share thus involuntarily withdrawn the same amount as it would be required by this act to pay if such shares were voluntarily withdrawn.

Section 615. Matured Shares.—A. An installment or prepaid share shall be declared matured by the board of directors of an association, whenever, in the case of a prepaid share, the cash payment made thereon by the shareholder at the time of the issuance of such share, or, in the case of an installment share, the dues paid thereon by the shareholder, plus the full portion of the accumulated earnings of such association properly apportionable to such prepaid or installment share, as the case may be, after deducting the reserve for contingent losses created pursuant to the provisions of this act, equal the par value of the share. Notice of such maturity shall forthwith be given to the holder of such share.

B. If the shares thus declared matured have not been pledged to the association as security for a loan, the association shall, before making payment, deduct an amount equal to any delinquent fines or other charges due it by such shareholder.

C. If the shares thus declared matured have been pledged to the association as security for a loan which is secured also by a mortgage upon real property, then the mortgage shall be forthwith satisfied upon the payment of any delinquent fines or other charges due the association and upon the payment of a fee, not in excess of three dollars, for the satisfaction of the mortgage.

D. If the shares thus declared matured have been pledged to the association pursuant to a loan upon which the sole security is such shares, the note shall be forthwith cancelled and the amount of the loan, together with the amount of any delinquent fines or other charges due the association, shall be deducted from the matured value of such shares. The balance shall be payable to such shareholder in the same manner as provided by this act in the case of shares which have been declared matured, which are not pledged to the association as security for a loan.

E. The holder of a share which has been declared matured pursuant to the provisions of this section shall be entitled to interest upon any unpaid portion of the par value thereof at the rate of four per centum per annum from the date of the declaration of maturity, but the rate of such interest shall not in any event exceed the rate of earnings apportioned during such period to installment or prepaid shares which have not been declared matured.

Section 616. Order of Payment and Funds to Be Used to Pay Matured or Withdrawn Shares; Power to Sue.—A. Withdrawn or matured shares shall be paid in

the order in which the withdrawals become effective or the maturities are declared, but withdrawals which become effective or maturities which are declared upon the same day shall be paid on a pro rata basis. However, the board of directors may at any time either authorize payment of withdrawn or matured shares on a pro rata basis, or, with the consent of the department, fix a maximum amount to be paid periodically on such shares. The action of the board of directors in authorizing payment to be made on a pro rata basis, or in fixing a maximum amount to be paid periodically, shall also apply to unpaid withdrawals which became effective or to unpaid maturities which were declared prior to the date on which such action was taken by the board of directors.

B. At least two-thirds of the funds in the treasury of an association shall be applied to the payment of matured or withdrawn shares, whenever such amount is necessary for this purpose, but the association shall first deduct such amount as shall be necessary to pay current expenses and interest or dividends on full-paid shares, to protect or preserve the assets of the association, and to make proper provisions for meeting such obligations as it may reasonably be expected to be compelled to pay. Whenever two-thirds of the funds in the treasury, other than such amounts as are required by this section to be deducted, are insufficient to pay in full all matured or withdrawn shares, one-third of such funds shall be applied to the payment of matured shares and one-third to the payment of withdrawn shares, but if less than one-third of such funds shall be sufficient to pay in full all matured shares, the balance of such one-third shall be applied to pay withdrawn shares, and conversely, if less than one-third of such funds shall be sufficient to pay in full all withdrawn shares, the balance of such one-third shall be applied to pay matured shares.

C. Whenever funds are not available, in the manner hereinbefore provided, to pay any matured or withdrawn share upon which payment has been due for a period in excess of six months, all the funds in the treasury, other than such amounts as are required by this section to be deducted, shall be applied to the payment of matured or withdrawn shares. Whenever all of the funds in the treasury, other than such amounts as are required by this section to be deducted, are insufficient to pay in full matured or withdrawn shares, one-half of such funds shall be applied to the payment of matured shares and one-half to the payment of withdrawn shares. If less than one-half of such funds shall be sufficient to pay in full all matured shares, the balance of such one-half shall be applied to pay withdrawn shares, and conversely, if less than one-half of such funds shall be sufficient to pay in full all withdrawn shares, the bal-

ance of such one-half shall be applied to pay matured shares.

D. Whenever matured or withdrawn shares have not been paid by an association for a period of six months after the maturities have been declared, or the withdrawals have become effective, owing to the fact that the funds in the treasury, which, under this act, are to be applied to the payment of such shares, are insufficient to pay them in full, so much of the bonds or other obligations of the United States, of the Commonwealth of Pennsylvania, or of a Federal Home Loan Bank, owned by the association, as shall be necessary to pay such matured or withdrawn shares shall be sold and the proceeds paid into the treasury of the association to be used to pay such shares.

E. For the purposes of this section, the words "funds in the treasury" shall be construed to include all moneys received by the association from any source whatsoever, except money borrowed from the Federal Home Loan Bank:

F. The holders of matured or withdrawn shares shall not have the power to sue for the amount due them by virtue of such maturity or such withdrawal until such time as, under the provisions of this section, such matured or such withdrawn shares should have been paid.

Section 617. Fines.—A. Any association may impose fines upon its shareholders for failure to pay dues, interest, or premiums, but a fine shall not exceed one per centum per month of the amount of the dues, interest, or premiums which are in arrears, for the period during which they have been in such arrears. Such fines may be deducted from or charged against the earnings of the association properly apportionable to the shares in the association on account of which such defaults are made, but fines for a longer period than six months shall not under any circumstances be deducted from or charged against the dues paid by the shareholders upon such shares.

B. An association shall not impose fines upon the shares of a deceased shareholder, for defaults incurred after his death, unless his legal representative makes a payment upon such shares, in which case fines may be levied against such shares for all defaults after the date of such payment.

C. Fines levied pursuant to the provisions of this act shall not be deemed usurious.

Section 618. Restriction on Dividends on Full-Paid Shares.—The cash dividend or periodical interest paid on full-paid shares during any year shall not exceed the net rate of dividends earned during such year on all the outstanding shares of the association, less the amount thereof, if any, set aside as a reserve for contingent losses.

Section 619. Cancellation of Shares by Association.—An association may cancel the installment shares of a shareholder for failure to pay dues upon them for a period of six months. In the event of such cancellation by such association, the shareholder shall be entitled to all the rights of a withdrawing shareholder.

Section 620. Reserve for Contingent Losses.—Every association shall set aside each year not less than five per centum and not more than fifteen per centum of its net profits for such year, unless the department in writing approves the setting aside of a lesser or a greater amount, as a reserve for contingent losses, until the total amount of such reserve shall equal at least five per centum and not more than ten per centum of the assets of such association, unless the department in writing approves the creation of a total reserve of a lesser or a greater amount. The department may at any time require any association to set aside such additional amount as the department shall deem necessary to safeguard the interests of the shareholders of such association. Such reserve for contingent losses may be loaned or invested in the same manner as is authorized by this act in the case of other funds of the association.

If, due to a reduction of the assets of an association or due to any other cause whatsoever, the reserve for contingent losses shall exceed ten per centum of the assets of the association, or, if the department has authorized or directed the creation of a reserve for contingent losses in excess of such ten per centum and such reserve exceeds such amount authorized or directed by the department, the amount above such ten per centum or such other amount as has been authorized or directed by the department shall be transferred, at the next regular meeting of the board of directors, to the general profit account of the association.

Section 621. Reduction of Liability to Shareholders.—Whenever the losses of any association resulting from a depreciation of its securities, or otherwise, exceed its accumulated profits and its reserve for contingent losses, so that the fair value of its assets is less than the total amount due its creditors and shareholders, the court of common pleas of the county in which the place of business of the association is located may, upon the petition of the association, approved by a majority of all its directors, and by the department, order a reduction of its liability to its shareholders, in such manner as to distribute the loss equitably among such shareholders.

Such petition shall be advertised at least once in a newspaper of general circulation.

ARTICLE VII

AMENDMENT OF ARTICLES

Section 701. Amendment of Articles Authorized.—An association may, in the manner hereinafter provided

in this article, amend its articles of incorporation from time to time in any manner whatsoever, provided that the articles as so amended would be authorized by this act as original articles of incorporation.

Section 702. Proposal of Amendments to Articles.—Every amendment to the articles of an association shall first be proposed by the board of directors by the adoption of a resolution setting forth the proposed amendment and directing that it be submitted to a vote of the shareholders entitled to vote thereon at a designated meeting, which may be either an annual or a special meeting of the shareholders entitled to vote on the amendment. The resolution shall contain the language of the proposed amendment to the articles by providing that the articles shall be amended so as to read as therein set forth in full, or that any provision thereof be amended so as to read as therein set forth in full, or that the matter stated in the resolution be added to or stricken from the articles.

Section 703. Adoption of Amendments.—Every proposal of an amendment to the articles of an association, made by its board of directors, shall be adopted at the shareholders' meeting, designated for that purpose pursuant to the provisions of this act, upon receiving the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote at such meeting, unless the articles require a greater number. Any number of amendments may be submitted to the shareholders at one meeting.

Section 704. Notice of Meeting to Adopt Amendments to Articles.—Written notice shall, not less than ten days before the shareholders' meetings called by the board of directors for the purpose of considering any proposed amendment to the articles of an association, be given to each shareholder of record, except that written notice of any proposed amendment for increasing the authorized capital stock of the association shall be given to each shareholder of record at least sixty days before such meeting. Such notice shall state the place, the day, and the hour of the meeting, and shall set forth the proposed amendment or a summary of the changes to be effected thereby.

Section 705. Articles of Amendment.—After an amendment to the articles of an association has been adopted in the manner provided by this act, the articles of amendment shall be executed under the seal of the association and verified by two duly authorized officers of the association, and shall set forth:

- (1) The name and location of the place of business of the association.
- (2) The act of Assembly under which the association was formed, and the date when and the place where the original articles were recorded or filed.
- (3) The time and place of the meeting of the share-

holders of the association at which the amendment was adopted, and the kind and period of notice given to such shareholders.

(4) The number of shares outstanding, the number of shares entitled to vote on the amendment, and the number of shares voted for and against such amendment.

(5) The amendment adopted, which shall be set forth in full.

Section 706. Advertisement.—The association shall advertise its intention to file articles of amendment with the Department of State in a manner similar to that heretofore prescribed in this act in the case of the formation of an association. Advertisements shall appear at least three days prior to the day upon which the articles of amendment are to be presented to the Department of State, and shall set forth briefly:

(1) The name and location of the place of business of the association.

(2) A statement that the articles of amendment are to be filed under the provisions of this act.

(3) The nature and character of the proposed amendment.

(4) The time when the articles of amendment will be filed with the Department of State.

Section 707. Filing of Articles of Amendments; Payment of Fees; Approval by Department of State.—A. The articles of amendment and the proof of publication of the advertisement, required by this act, shall be delivered to the Department of State.

B. The Department of State shall examine such articles of amendment and such proof of publication to determine whether they contain all the information and are in the form required by this act. After all the fees, taxes, and other charges have been paid as required by law, except for the costs of any examinations made by the Department of Banking, pursuant to the provisions of this act, to determine whether to approve the amendment, or any other charges made by the Department of Banking, the Department of State shall, if the articles of amendment and the proof of publication contain the information and are in the form required by this act, forthwith, but not prior to the day specified in the advertisement of the intention of the association to file the articles, endorse its approval thereon, and shall forthwith transmit them to the Department of Banking.

C. If the Department of State shall disapprove the articles of amendment, pursuant to the provisions of this act, it shall forthwith give notice thereof to the association, stating in detail its reasons for doing so, and stating how such association can remedy the nonconformance with the provisions of this act. Upon remedying the defect, such association may in the same manner file the same or amended articles, whichever the particular case may require.

Section 708. Approval of Articles of Amendment by Department of Banking.—A. The Department of Banking shall, immediately upon the receipt of the articles of amendment from the Department of State, conduct such examination as it may deem necessary to ascertain from the best sources of information at its command whether such amendment or amendments will be lawful, not injurious to the community, and in accordance with the purposes of the articles of incorporation. The costs of such examination, and any other charges of the Department of Banking, bearing upon the filing of articles of amendment, shall be assessed upon the association in the manner provided by law for assessments by the Department of Banking of costs of examinations or other charges.

B. Within thirty days after the receipt of the articles of amendment from the Department of State, the Department of Banking shall, upon the basis of the facts disclosed by the investigation provided for by this section, either approve or disapprove such articles. It shall immediately notify the Department of State in writing of its action. If it shall approve the articles of amendment, it shall endorse its approval thereon, and shall return them to the Department of State.

C. If the Department of Banking disapproves the articles of amendment, it shall return them to the Department of State, stating in detail its reasons for doing so. The Department of State shall immediately give notice to the association of the action of the Department of Banking and of the reasons therefor as stated to it by that department. The association may, within thirty days after the Department of State sends it notice of the disapproval of its articles of amendment, appeal from such disapproval to the Governor, who shall hear such appeal promptly, and, within thirty days thereafter, decide the matter and certify his decision to the Department of Banking. The decision of the Governor shall be conclusive and not subject to review. The Department of Banking shall act in accordance therewith.

Section 709. Issuance of Certificate of Amendment.—Immediately upon receipt of the approved articles of amendment of an association from the Department of Banking, the Department of State shall file the articles and shall issue to the association, or its representative, a certificate of amendment, to which shall be attached a copy of the approved articles. A copy of the approved articles of amendment shall be sent by the Department of State to the Department of Banking.

Section 710. Effective Date of Amendment.—Upon the issuance of the certificate of amendment by the Department of State, the amendments shall become effective and the articles of incorporation shall be deemed to be amended accordingly. The certificate of amendment shall be conclusive evidence of the performance of all

conditions required in this act in proceedings to amend the articles of incorporation, except as against the Commonwealth. No amendment shall affect any existing cause of action in favor of or against the association or any pending suit in which such association shall be a party, or the existing rights of persons, other than shareholders; and, in the event the corporate name shall be changed by the amendment, no suit brought by or against the association under its former name shall be abated for that reason.

ARTICLE VIII

SPECIFIC POWERS AND LIMITATIONS UPON POWERS OF ASSOCIATIONS

Section 801. Powers of Associations.—In addition to the general corporate powers granted by this act, and in addition to any powers specifically granted to an association elsewhere in this act, an association shall have the following powers, subject to the limitations and restrictions imposed by this act:

(1) To issue full-paid, prepaid, and installment shares.

(2) To borrow money, and in the case of the Federal Home Loan Bank, or any other agency or instrumentality of the United States Government, other than a national bank, to pledge collateral therefor.

(3) To grant loans to its shareholders.

(4) To make investments.

(5) To become a member of the Federal Home Loan Bank, or of any other corporation or agency established under the authority of the United States Government, and to comply with any of the provisions required for membership in the Federal Home Loan Bank or in such other corporation or agency, provided the association is authorized to do so by resolution of its board of directors.

(6) To become a member of a league or leagues organized to protect and promote the interests of building and loan associations, and to pay dues to or a proportionate share of the expenses of such league or leagues.

(7) To purchase, improve, or lease real property for its accommodation.

Section 802. Power to Borrow Money; Issuance of Notes; Pledging of Collateral.—A. An association may, by resolution of its board of directors, borrow money, at a rate of interest not exceeding six per centum per annum, to a total amount not exceeding thirty-five per centum of the amount paid in by shareholders on account of shares which have not on the date of such borrowing been matured, or for which notice of withdrawal has not on such date been given.

B. An association shall issue to any corporation or person from whom it borrows money, except the Federal

Home Loan Bank, or any other agency or instrumentality of the United States Government, other than a national bank, a note for the amount borrowed. All such notes shall be issued in the following manner, and in the following form only:

(1) Each such note shall have the corporate title of the association printed thereon.

(2) A copy of the resolution of the board of directors of such association authorizing the loan, certified by the secretary of such association or by such other officer as shall be determined by the by-laws, shall be permanently attached to such note, and each such resolution shall state the borrowing capacity of the association and the amount then owing by the association for borrowed money.

(3) Each such note shall be signed on behalf of the association by the president or vice-president and by the secretary or treasurer thereof, or by any other two or more officers designated in the by-laws.

(4) Such notes shall bear printed, consecutive numbers, and shall be issued from a bound notebook, containing for each note a stub bearing a number corresponding to the number on such note. The stub shall also bear the name and address of the payee of the note, the date on which the note was issued, the date of maturity, the amount of the note, and the rate of interest.

(5) The officers of such borrowing association who signed the note on behalf of the association shall certify, on the stub, that the information contained thereon is correct and is in accordance with the note bearing the same number.

An association shall issue to the Federal Home Loan Bank, or to any other agency or instrumentality of the United States Government from which it borrows money, other than a national bank, its bond, obligation, or note, in such form as is prescribed by the Federal Home Loan Bank or by such other agency or instrumentality of the United States Government.

Upon the repayment of such borrowed money, the note, or the bond, obligation, or note, as the case may be, shall be surrendered to the association, and shall be cancelled and preserved for a period of not less than seven years.

C. An association shall not have power to pledge or hypothecate any of its assets for money borrowed by it, except in the case of money borrowed from the Federal Home Loan Bank or any other agency or instrumentality of the United States Government, other than a national bank. An association may pledge or hypothecate to the Federal Home Loan Bank or to any other agency or instrumentality of the United States Government, other than a national bank, for money borrowed, its bonds and mortgages or other assets, including the shares pledged with the association as security, and it shall not be re-

quired to secure the consent of the owner of the mortgaged real property or of the shares in order to make such pledge.

D. An association shall not grant any mortgage loan if the amount of borrowed money owed by it to any corporation or person, except the Federal Home Loan Bank or any other agency or instrumentality of the United States Government, other than national banks, exceeds ten per centum of the amount paid in by shareholders on account of shares which have not been matured or for which notice of withdrawal has not been given; but this provision shall not be construed to affect the right of an association to readjust or otherwise refinance any mortgage loan which it has granted.

Section 803. Authorized Investments.—A. Except as otherwise specifically provided in this act, an association shall not make any investments except as follows:

(1) Bonds or other interest-bearing obligations of the United States, or those for the payment of the principal and interest on which the faith and credit of the United States is pledged.

(2) Bonds or debentures issued by a Federal Home Loan Bank under the provisions of the Federal Home Loan Bank Act, approved the twenty-second day of July, one thousand nine hundred thirty-two, its amendments and supplements.

(3) Bonds or other interest-bearing obligations of the Commonwealth of Pennsylvania, or those for the payment of principal and interest on which the faith and credit of this Commonwealth is pledged.

B. An association shall not at any one time, without the written approval of the department, have more than twenty-five per centum of the amount paid in by its shareholders on account of shares invested in the bonds, debentures, or other interest-bearing obligations authorized by this section as investments for associations.

Section 804. Restriction on Ownership or Holding of Real Property by an Association.—A. Except as otherwise provided in this act, an association shall not purchase, own, or hold any real property, except as follows:

(1) Such real property as it occupies pursuant to the provisions of this act for its accommodation in the transaction of its business or such real property as it partly so occupies and partly leases to others, pursuant to the provisions of this act.

(2) Such as it shall purchase at sales under judgments, decrees, or mortgages held by it or as it shall otherwise acquire in good faith and in satisfaction of debts previously contracted to it, or in order to protect an interest it may otherwise have lawfully acquired in such property.

B. An association shall not own or hold any real property, other than such real property as it occupies

for its accommodation in the transaction of its business or such real property as it partly so occupies and partly leases to others pursuant to the provisions of this act, for a period longer than five years after the acquisition of such real property, or five years after the effective date of this act, but the department may, upon application of an association, grant to it in writing the power to hold such real property for a longer period.

C. An association shall not permit title to any real property of which it is in fact the owner to be carried in the name of any other corporation or person.

Section 805. Limitation on Building Owned or Leased; Furniture and Fixtures Therein.—A. The cost of the real property, including the building or buildings thereon, which an association owns and occupies for the transaction of its business, or partly so occupies and partly leases to others, together with the cost of furniture and fixtures therein which belong to the association, shall not at any time exceed, in the aggregate, five per centum of the amount paid in by its shareholders on account of shares. However, an association shall not purchase any real property or erect any building for its occupancy in the transaction of its business without the prior written approval of the department.

B. An association shall not, without the prior written approval of the department, expend for the alteration, repair, or improvement of premises occupied, but not owned by it, an amount which, together with all prior alterations, repairs, or improvements on the same premises, exceeds five thousand dollars in the case of an association the assets of which are not more than five million dollars, and ten thousand dollars in the case of an association the assets of which are more than five million dollars. The cost of such alterations, repairs, or improvements shall be amortized during the term of such lease or occupancy.

C. The foregoing provisions of this section shall not affect any real property and building or buildings owned or leased, and occupied, or any furniture and fixtures owned and used, by an association upon the effective date of this act for the transaction of its business, but such association shall not add to such real property, and shall not alter, repair, or improve leased premises if the cost of such additions, alterations, repairs, or improvements, together with any real property and building or buildings owned, or furniture and fixtures owned and used, or alterations, repairs, and improvements, of leased premises aggregate more than the maximum amount authorized by this section.

D. An association may lease to any other association, or to any other corporation or person for offices or for any other legitimate purpose, premises which it owns or occupies for the transaction of its business.

Section 806. Protection Against Loss on Previous

Loan or Investment.—The restrictions imposed by this act shall not be construed to prevent an association, in order to protect itself from loss upon a loan or investment previously made, from acquiring ownership of, or otherwise taking and holding, any kind of property or security, whether real or personal. Except as otherwise provided by this act, any property so acquired, unless of the character and nature by this act authorized to be purchased or held by such association, shall be sold by it within five years, but the department may, upon application of an association, grant to it, in writing, the power to hold such property for a longer period.

Section 807. Property Acquired before Effective Date of this Act.—This act shall not be construed to render unlawful the continued ownership or holding by an association of any loans, investments, or other real or personal property lawfully acquired prior to the effective date of this act. However, such loans and investments, or such other real or personal property, shall be computed in determining the power under this act of an association to grant any additional loans or make any additional investments of the same or different kinds.

Section 808. Segregation of Dues Upon Order of Department.—A. Whenever it shall appear to the department that the affairs of an association are in such condition that the action hereinafter provided in this section is justified, the department may, by written order issued in the manner provided by law, direct that all payments of dues made on account of installment shares which have not been transferred and pledged to the association as security for loans shall be segregated from the other assets of the association, and that the association shall not grant any further loans, issue any new shares, make any payments on account of withdrawn or matured shares, or allow any credit for the value of any shares on account of the principal of any loan, until such order is revoked in writing by the department. Such order of the department shall be known as an order of segregation. Such segregated moneys shall either be kept on deposit in a depository selected in the manner provided by this act, or invested in the bonds designated by this act as authorized investments for associations. The moneys so segregated, and the bonds in which such moneys are invested, shall be known as the segregated fund.

If an association at any time after an order of segregation has become effective has no liability except to its shareholders arising from the ownership of shares, it may, with the written consent of the department, transfer to the segregated fund a portion or all of any cash which it may have on hand and bonds, if any, designated by this act as authorized investments. Cash and bonds so transferred shall become a part of the segregated fund the same as though paid into the seg-

regated fund by the shareholders whose shares are not pledged to the association as security for loans in proportion to the amounts paid in on account of their shares on the date that the order of segregation was issued. Such segregated fund shall not be subject to any attachment issued on a judgment obtained by any creditor or shareholder of the association.

During the period of segregation, the segregated fund shall be available exclusively for the benefit of the shareholders who made such payments or for whose benefit the transfer of cash and bonds was made, and may be withdrawn during such period of segregation upon thirty days' written notice.

B. All dues paid in during the period of segregation by shareholders whose shares are pledged to the association as security for loans shall be known as segregated credits, and shall be applied as credits against the principal of any loans so secured which are repaid during the period of segregation.

When any transfer of cash and bonds is made to the segregated fund, the shareholders whose shares are pledged to the association as security for loans shall be entitled to segregated credits, which shall bear the same relation to the amounts paid in by them on account of their shares, prior to the effective date of the order of segregation, as the amount of cash and bonds so transferred bears to the total amount paid in on account of shares, prior to the effective date of the order of segregation, by shareholders whose shares are not pledged as security for loans.

If at any time during the period of segregation the segregated credits on shares pledged for a loan exceed the amount of the loan for which such shares are pledged, all payments made by the borrower thereafter shall be segregated in the same manner as payments made by shareholders whose shares have not been pledged to the association as security for loans.

C. If the Secretary of Banking shall in the manner provided by law take possession of the business and property of an association while an order of segregation is in force, or if a liquidating trustee or liquidating trustees shall, pursuant to a plan of voluntary dissolution, take possession of the business and property of such association while such order is in force, the amount in the segregated fund shall be paid only to the shareholders whose payments were segregated or for whose benefit the transfer of cash and bonds was made, and only to the extent that they can be paid from the segregated fund or from the proceeds of the sale of the bonds in which such segregated fund has been invested, and the shareholders whose shares have been transferred and pledged as security for loans shall receive credit on account of the principal of their loans for the full amount of their segregated credits.

D. If an association, while an order of segregation is in force, shall enter into an agreement of merger or consolidation with another association or with other associations, the shareholders whose shares have not been pledged to the association as security for loans shall receive credit in full for their interest in the segregated fund on account of the shares of the surviving or new association into which their shares are converted, and the shareholders whose shares have been pledged to the association as security for loans shall receive credit in full for their segregated credits on account of the shares of the surviving or new association into which their shares are converted.

E. If, while an order of segregation is in force, the liability of an association to its shareholders shall be reduced by order of the court of common pleas, pursuant to the provisions of this act, the interest of the shareholders in the segregated fund and the segregated credits of shareholders shall not be reduced by the order of court, but such shareholders shall receive credit in full on account of their shares for such interest in the segregated fund or for such segregated credits.

F. The department may revoke an order of segregation whenever it shall appear that the condition of an association justifies such action. In such event the association may exercise all the powers it could have exercised prior to the issuance of such order. It shall treat all payments on account of shares, or otherwise, made by shareholders during the period of segregation, and all segregated credits, in the same manner as all other payments on account of shares whenever made.

Section 809. Limitation on Loans and Investments.—An association shall not have the power to grant any loans or make any investments except such loans or investments as are specifically authorized in this act.

Section 810. Limitation of Power to Make Deposits.—An association shall not deposit any of the moneys received by it in any bank, bank and trust company, savings bank, or private bank, unless such institution is specifically approved by the board of directors of the association as a depository for the funds of the association.

Section 811. Prohibition Upon Accepting Deposits or Discounting Commercial Paper.—A. An association shall not receive money on deposit; but this provision shall not be construed to affect the right of an association to receive payments on account of shares, payments on account of fire insurance premiums, taxes, municipal claims, or water rent on real property mortgaged to the association, payments on account of interest on or principal of prior liens on such property, or any other payments authorized by this act.

B. An association shall not purchase or discount any note, bill of exchange, draft, or other commercial paper.

ARTICLE IX

LOANS TO SHAREHOLDERS

Section 901. Method of Granting Loans to Shareholders; Premiums.—A. Mortgage loans may be granted by an association, pursuant to the provisions of this act, at any regular or special meeting of the board of directors. The directors may lend funds of the association either with or without charging the borrower a premium for the privilege of being granted such loan, but an association shall not charge any premium unless the borrower agrees in writing to pay such premium. If such premium is deducted by the association in advance, it shall not exceed ten per centum of the amount of the loan, or if paid by the borrower in installments, one per centum per annum of the amount of the loan.

B. A premium paid, pursuant to the provisions of this section, by a borrower from an association, shall not be deemed usurious, although it exceeds the legal rate of interest, or when added to any interest paid upon such loan, it exceeds the legal rate of interest.

C. Share loans may be granted by an association, pursuant to the provisions of this act, in the manner provided by this section for the granting of mortgage loans, or in any other manner provided by its articles or by-laws.

Section 902. Application for Mortgage Loan; Preservation of Application; Penalty.—A. An association shall not grant a mortgage loan unless it shall first have obtained a written application, signed by the person for whose benefit the loan is to be made, which shall set forth:

(1) The name, address, age, and occupation of the applicant for the loan.

(2) The name and address of the employer of the applicant, if the applicant is employed.

(3) The location of the real property and the character of the improvements thereon.

(4) The name and address of the owner in fee of the real property at the time the application is made to the association.

(5) How and when title to the real property was acquired by the applicant, the actual cost of the real property, and the actual cost of any permanent improvements made thereon after the applicant acquired title, or, if applicant does not have title at the time application is made, the date of the agreement of sale or option and the actual consideration to be paid for such real property.

(6) Whether any money or other thing of value has been or is to be paid to any corporation or person, other than the association, as a fee, commission, or gift for procuring or for endeavoring to procure such loan from the association, or for services in making searches of

title of real property offered to the association as security or in drawing papers incident to the loan for which such real property is given as security, or for any other reason whatsoever, and if so, the amount or value of such fee, commission, or gift and to whom it has been or is to be paid.

(7) Whether in fact the applicant is the beneficial owner of the real property, and if not, who is the beneficial owner.

B. If the loan is granted by the association, such application shall be carefully preserved among the records of the association until the loan is fully repaid to it.

C. Any person who shall knowingly make any false or misleading statement in the application required by this section, or who shall knowingly conceal any material fact or facts required to be given in such application, or who shall falsify or mutilate any such application after it has been signed and delivered to the association or who shall abstract any such application from the records of the association, or who shall cause or induce any other person to make any such statement, conceal any such fact or facts, falsify, mutilate, or abstract any such application in the manner just described, shall be guilty of a misdemeanor, and shall, upon conviction thereof, be subject to imprisonment for a period not exceeding three years, or a fine not exceeding one thousand dollars, or both.

Section 903. Security for Mortgage Loans.—A. An association shall grant mortgage loans to its shareholders, or to any person intending to become a shareholder, upon the following security only:

(1) The bond of the borrower, secured by the transfer and pledge to the association of installment shares in such association, which belong to the borrower and which have a par value at least equal to the amount of the loan, and further secured by a mortgage upon real property which belongs to the borrower, such mortgage being for at least the full amount of the loan. A loan secured in this manner shall be known as a share-mortgage loan, and the mortgage securing such loan as a share mortgage.

(2) The bond of the borrower, secured by a mortgage upon real property which belongs to the borrower, such mortgage being for an amount not to exceed one-half of the amount of the loan, such portion of the loan to be known as the straight-mortgage portion of the loan; and a bond for the remainder of the loan, secured by the transfer and pledge to the association of installment shares in such association, which belong to the borrower and which have a par value at least equal to the amount of such remainder of the loan, and further secured by a mortgage upon such real property, for an amount equal to such remainder of such loan, such remainder of such loan to be known as the share-mort-

gage portion of the loan. A loan secured by both a straight mortgage and a share mortgage in this manner shall be known as a split-mortgage loan. A split-mortgage loan may also be in the form of a single bond and mortgage which meets all the requirements of this section.

The straight-mortgage portion of a split-mortgage loan shall not be secured by shares, and an association shall not charge fines upon such portion of the loan.

An association shall not demand payment of the straight-mortgage portion of a split-mortgage loan, except in case of a default by the borrower in the terms of the loan, until the share-mortgage portion of such loan has been repaid in full by the maturing of the shares assigned or pledged as security therefor or by any other method. Upon such payment of the share-mortgage portion of a split-mortgage loan, an association shall either demand and enforce payment of the straight-mortgage portion of the loan, or convert such loan to a share-mortgage loan upon the transfer and pledge to the association of installment shares in such association which belong to the borrower and which have a par value at least equal to the amount of such loan.

B. An association shall not grant any mortgage loan unless the mortgage securing such loan (1) is a first lien upon unencumbered, improved real property, or upon real property upon which a building is in the process of construction; situated anywhere within the Commonwealth, or where it is not a first lien upon such property, every equal or prior lien is owned by the association; and (2) does not, together with any other lien held by such association upon such property, exceed eighty per centum of the fair market value of such real property; plus the amount paid to the association, prior to or upon the day of the granting of such loan, upon shares to be assigned or pledged to the association as security for such loan. An association shall not take any lien upon real property as security for a mortgage loan if such lien is equal to any lien owned by any other corporation or person.

The provisions of this subsection shall not be construed to apply to a purchase money mortgage taken by an association upon real property owned by it, nor to the readjustment or refinancing in any other manner of a mortgage loan owed to the association upon the effective date of this act.

Notwithstanding the provisions of this subsection, an association may, prior to the first day of June, one thousand nine hundred thirty-five, grant a loan upon improved real property encumbered by a mortgage not owned by the association, provided that the prior encumbrance not owned by the association does not exceed forty per centum of the fair market value of such real property; and that it will not, together with the mort-

gage securing such loan, exceed sixty per centum of the fair market value of such real property.

C. An association shall not, directly or indirectly, grant to any one corporation or person mortgage loans to a total amount exceeding five per centum of the amount paid in by its shareholders on account of shares, but any association may grant to any one corporation or person mortgage loans to a total amount of ten thousand dollars.

In computing the total mortgage loans made by an association to an individual, there shall be included all mortgage loans made by the association to a partnership or other unincorporated association of which he is a member, all mortgage loans made either for his benefit or for the benefit of such partnership or other unincorporated association, and all mortgage loans to or for the benefit of a corporation of which he owns twenty-five per centum or more of the capital stock.

In computing the total mortgage loans made by an association to a partnership or other unincorporated association, there shall be included all mortgage loans to its individual members, all mortgage loans made for the benefit of such partnership or other unincorporated association, or of any member thereof, and all mortgage loans to or for the benefit of any corporation of which the partnership or unincorporated association, or any member thereof, owns twenty-five per centum or more of the capital stock.

In computing the total mortgage loans made by an association to a corporation, there shall be included all mortgage loans made for the benefit of the corporation, and all mortgage loans to or for the benefit of any individual who owns twenty-five per centum or more of the capital stock of such corporation.

A mortgage loan shall be deemed to be made for the benefit of a corporation or person to the extent that the proceeds of such loans are credited or transferred to such corporation or person.

D. An association shall not, upon the security of any one piece of real property, grant mortgage loans totaling—

(1) More than twenty-five thousand dollars, if the amount paid in by its shareholders on account of shares exceeds five hundred thousand dollars but does not exceed one million dollars.

(2) More than thirty-five thousand dollars, if the amount paid in by its shareholders on account of shares exceeds one million dollars but does not exceed five million dollars.

(3) More than fifty thousand dollars, if the amount paid in by its shareholders on account of shares exceeds five million dollars.

Section 904. Charges for Services in Connection With Mortgage Loans.—A. An association may levy a rea-

sonable charge upon any corporation or person applying for a mortgage loan for its services in making searches of title and appraising the real property offered to the association as security, in drawing any papers incident to the loan for which such real property is given as security, and in taking any other action permitted or required by law with respect to such loan.

B. An association may likewise levy a reasonable charge upon any corporation or person which has been granted a mortgage loan for any services performed by the association with respect to reducing the amount of such loan, extending the period of its maturity or otherwise readjusting or refinancing it, and for any other action by the association permitted or required by law with respect to such loan.

Section 905. Limitation Upon Disposal of Mortgages.—Except as otherwise specifically provided in this act, an association which is not in the possession of a liquidating trustee or liquidating trustees, pursuant to a plan of voluntary dissolution, shall not, except with the written consent of the owner of the real property upon which a share mortgage is secured, sell, transfer, or assign such mortgage, and it shall not sell, transfer, or assign any mortgage or other encumbrance until every subsequent mortgage or encumbrance owned by it upon such real property shall have been paid in full. The corporation or person to whom such transfer, sale, or assignment is made shall not have the power to charge fines or premiums, unless such corporation is a building and loan association.

Section 906. Reduction and Extension of Mortgage Loans by Application of Withdrawal Value.—A borrower may, with the consent of the association, have the withdrawal value of shares which have been pledged as security for a mortgage loan credited on account of the principal of such mortgage loan, provided that he pledges or assigns to the association, in lieu of the shares so withdrawn or applied, other shares in the association of an aggregate par value of not less than the amount to which such loan is reduced.

Section 907. Interest Reduction Loans.—A borrower, with the consent of the association, may have the periodical installments of dues on his shares credited on account of the principal of the mortgage loan at such times as shall be provided in the mortgage and also in its accompanying bond or other obligation, if any; and the interest, and the premium if any, thereon shall be computed on the balance of the principal of the loan in each case when the dues have been so credited. The borrower in such case may agree that the subsequent dues on his shares shall become automatically increased by the amount of the reduction of interest, and of premium if any, in each case when the dues have been so credited, so that the total of each monthly installment

of dues and interest, and premium if any, shall remain the same until the loan has been paid in full, but the right to have the dues on the shares credited on account of the principal of the loan, as well as the agreement, if any, that the dues on the shares shall become automatically increased as herein provided, shall be set forth in the mortgage and also in its accompanying bond or other obligation, if any.

The borrower shall have the right, with the consent of the association, when the dues so credited on account of the principal of the loan shall equal the par value of one or more shares, to have the number of shares reduced to such number that their aggregate par value shall not be less than the reduced amount or balance of the principal of the loan still remaining unpaid. The periodical installments of dues on the shares thus reduced, as well as the interest on the reduced principal of the loan, and premium thereon if any, shall be payable after the date of such reduction the same as if the shares had been originally issued in such reduced number as of such date and such loan made for such reduced amount.

When the dues on the shares are credited on account of the principal of the loan as herein provided, such shares shall not participate in the profits of the association nor be subject to losses. When the loan has been paid in full by the crediting of the dues thereon as herein provided, the borrower shall be entitled to have his mortgage satisfied upon the payment of a fee, not exceeding three dollars, for the satisfaction of the mortgage.

Section 908. Foreclosure on Mortgage for Non-Payment of Dues, Interest, Premiums, or Fines.—In the case of a default in the payment of dues, interest, premiums, or fines due on a mortgage loan, an association, if there be no other default, shall not have the power to enforce payment of the principal of such loan by legal proceedings unless, in the case of a mortgage which is a first lien upon real property, dues or interest owing for six months has not been paid, or, in the case of a mortgage which is not a first lien upon real property, dues or interest owing for three months has not been paid.

Section 909. Credit for Withdrawal Value of Shares in Foreclosure.—If the amount recovered by an association through foreclosure of a mortgage securing a mortgage loan, plus the withdrawal value of the shares of the borrower and minus the expenses incurred by the association in foreclosing upon such mortgage, shall exceed the amount which the borrower would have been required to pay in order to have repaid such loan voluntarily pursuant to the provisions of this act, such excess shall be repaid to the borrower.

Section 910. Security for Share Loans.—An association may grant share loans to any of its shareholders

upon the following security only: The note of the borrower, secured by the transfer and pledge to the association of installment or prepaid shares, which have not previously been transferred or pledged to anyone other than the association; the amount paid in on account of such shares prior to or at the time of the granting of any loan upon the security of such shares shall be at least equal to the total amount of all loans granted thereon.

Section 911. Repayment of Loans before Maturity.—

A. A borrower shall have the right to repay a loan to an association at any time before the maturity of the shares securing such loan, unless the by-laws of an association provide that such repayment can be made only at a regular meeting of the board of directors of such association.

B. When a borrower repays a loan to an association before the maturity of the shares securing such loan, he may—

(1) Pay the amount of the principal of the loan in cash and have the shares securing such loan retransferred to him by the association; or

(2) In the case of a mortgage loan, apply the withdrawal value of the shares securing such loan against the principal of such loan, and pay the balance in cash; or

(3) In the case of a share loan, take credit for the withdrawal value of the shares securing such loan up to the amount of the principal of the loan, and, as to any balance remaining, acquire the rights of a withdrawing shareholder.

C. Upon paying a loan to an association in the manner provided in this section, a borrower shall be entitled, in the case of a mortgage loan, to the satisfaction of his mortgage upon the payment of a fee, not exceeding three dollars, for the satisfaction of the mortgage, and in the case of a share loan, to the return of his note.

D. If a borrower shall repay a loan upon which the association has deducted the premium in advance, such proportion of the premium, as the by-laws shall determine, shall be refunded to such borrower, unless the same amounts to two per centum or less of the amount of such loan, in which case no such refund need be made, but if the premium exceeds two per centum of the amount of such loan, the association shall not retain more than one one-hundredths of such premium for each calendar month that has expired since the date of the meeting upon which the loan was granted.

Section 912. Demand by Association of Payment of Mortgage or Share Loans.—A. When the title to any real property upon which an association holds a mortgage as security for a loan is sold or otherwise transferred and the grantee does not, within thirty days after demand has been made upon him by the association, assume liability for the amount of the loan secured by the

mortgage by giving the association his personal bond, the association shall have power to enforce payment of the full amount of the loan.

B. Except as otherwise provided in this section, an association which is not in the possession of the Secretary of Banking as receiver, or of a liquidating trustee or liquidating trustees, shall not, except upon a default by the borrower, have the power to demand payment of any mortgage loan or share loan until the shares transferred and pledged to it as security for the loan have matured.

C. The prohibition of this section shall apply despite any provision to the contrary in the note, or in the bond and mortgage, respectively, upon which such loan is made.

Section 913. Method of Collecting Premiums or Interest.—A. Any premium which is agreed to be paid to an association, pursuant to the provisions of this act, may either be deducted in full by the association at the time of the granting of the loan, or may be paid by the borrower in equal periodical installments extending over the period of the loan. If the premium is paid in installments, an amount not exceeding the amount of the first such payment shall be due in advance of or upon the day of the granting of the loan, and the remaining installments shall each be payable upon the same day as the dues upon the shares securing such loan.

B. Interest upon a loan granted by the association shall not be charged or deducted in advance, whether such interest is charged in lieu of premiums or otherwise, but it shall be paid in equal periodical installments extending over the period of the loan.

C. If the Secretary of Banking shall take possession of an association as receiver for the purpose of liquidating its business and property, or if a liquidating trustee or liquidating trustees shall take possession pursuant to a plan of voluntary dissolution, a borrower, upon whose loan the association has deducted the premium in advance, shall be entitled, upon the repayment of such loan to the association, to receive the same credit for such premium as he would have been entitled to receive had he repaid the loan voluntarily on the day possession of the association was taken by the Secretary of Banking as receiver, or by a liquidating trustee or liquidating trustees. However, a borrower shall not, after such taking of possession by the Secretary of Banking as receiver, or by liquidating trustees, be entitled to any credit for premiums paid in periodical installments, except in the case of periodical installments which had been paid prior to, but which were not yet due upon, the day on which such possession was taken by the Secretary of Banking as receiver, or by a liquidating trustee or liquidating trustees.

ARTICLE X

MERGER AND CONSOLIDATION

Section 1001. Merger and Consolidation Authorized.—Any two or more associations may, in the manner hereinafter provided in this act, be merged into one of such associations, hereinafter designated as the surviving association, or consolidated into a new association to be formed under this act.

Section 1002. Approval of Joint Plan of Merger or Consolidation.—A. The board of directors of each of the associations which desire to merge or consolidate shall, by resolution adopted by at least a majority of all the members of each board, approve a joint plan of merger or consolidation, as the case may be, setting forth the terms and conditions of the merger or consolidation and the mode of carrying the same into effect, the manner and basis of converting the shares of each association into shares or other securities or obligations of the surviving or new corporation, as the case may be, and such other details and provisions as are deemed necessary.

B. The board of directors of each association, upon approving such plan of merger or plan of consolidation in accordance with the provisions of this act, shall, by resolution, direct that the plan be submitted to a vote of the shareholders of such association entitled to vote thereon, at an annual or special meeting of the shareholders. Written notice shall, not less than fifteen days before such annual or special meeting, be given respectively to each shareholder of record, unless the plan of merger or plan of consolidation contemplates an increase in the authorized capital of the constituent associations, in which event sixty days' notice of such meeting shall be given to each shareholder. The notice shall state the place, day, hour, and purpose of the meeting, and a copy or a summary of the plan of merger or plan of consolidation, as the case may be, shall be included in or enclosed with such notice.

C. The plan of merger or consolidation shall be ratified upon receiving the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote thereon of each of the merging or consolidating associations.

Section 1003. Articles of Merger or Consolidation.—Upon the approval, pursuant to the provisions of this act, of the plan of merger or the plan of consolidation by the shareholders of the associations desiring to merge or consolidate, articles of merger or articles of consolidation, as the case may be, shall be executed under the seal of each association and verified by two duly authorized officers of each association, and shall set forth:

- (1) The name of the surviving or new association.
- (2) The time and place of the meeting of the directors at which the plan of merger or consolidation was

proposed, and the time and place of the meeting of the shareholders of each association at which the plan of merger or consolidation, as the case may be, was ratified, the kind and period of notice given to the shareholders, and the total vote by which the plan was adopted.

(3) In the case of a merger, any changes desired to be made in the articles of the surviving association, or, in the case of a consolidation, all of the statements required by this act to be set forth in the original articles in the case of the formation of an association.

(4) The number, names, and addresses of the persons to be the first directors of the surviving or new association.

(5) The plan of merger or consolidation.

Section 1004. Advertisement.—The association shall advertise its intention to file articles of merger or articles of consolidation, as the case may be, with the Department of State, in a manner similar to that heretofore prescribed in this act in the case of the formation of an association. Advertisements shall appear at least three days prior to the day on which the articles of merger or articles of consolidation are to be presented to the Department of State, and shall set forth briefly:

(1) The name and the location of the principal place of business of each of the associations intending to merge or consolidate.

(2) The name and the location of the principal place of business of the surviving or new association.

(3) A statement that the articles of merger or consolidation are to be filed under the provisions of this act.

(4) The purpose or purposes of the surviving or new association.

(5) The time when the articles of merger or consolidation will be delivered to the Department of State.

Section 1005. Filing of Articles of Merger or Consolidation; Payment of Fees; Approval by Department of State.—A. The articles of merger or articles of consolidation, as the case may be, and the proof of publication of the advertisement required by this act, shall be delivered to the Department of State.

B. The Department of State shall examine such articles of merger or articles of consolidation and such proof of publication to determine whether they contain all the information and are in the form required by this act, and also whether the name of the surviving or new association, as the case may be, conforms with the requirements of law for the name of such an association, or, if the name is not the same as either or any of the merging or consolidating associations, whether it is the same as one already adopted or reserved by another corporation or person or is so similar thereto that it is likely to mislead the public.

After all the fees, taxes, and other charges have been

paid as required by law, except for the costs of an examination made by the Department of Banking, pursuant to the provisions of this act, to determine whether to approve the merger or consolidation, or any other charges made by the Department of Banking, the Department of State, if the articles of merger or articles of consolidation and the proof of publication contain the information and are in the form required by this act, shall forthwith, but not prior to the day specified in the advertisement of the intention to file the articles, endorse its approval thereon, and shall forthwith transmit them to the Department of Banking.

C. If the Department of State shall disapprove the articles of merger or the articles of consolidation pursuant to this act, it shall forthwith give notice thereof to the association, stating in detail its reasons for doing so, and stating how such association can remedy the non-conformance with the provisions of this act. Upon remedying the defect, such association may in the same manner file the same or amended articles, whichever the particular case may require.

Section 1006. Approval of Articles of Merger or Consolidation by Department of Banking.—A. The Department of Banking shall, immediately upon the receipt from the Department of State of the articles of merger or articles of consolidation, conduct such examination as it may deem necessary to ascertain from the best sources of information at its command :

(1) Whether the name of the surviving or new association is likely to mislead the public as to its character or purpose.

(2) Whether the consolidation or merger is made for legitimate purposes.

(3) Whether the interests of the shareholders or creditors are adequately protected.

(4) Whether the surviving or new association meets all the requirements of this act and violates none of its prohibitions.

The cost of such examination and any other charges of the Department of Banking, bearing upon the filing of the articles of merger or articles of consolidation, shall be assessed upon the associations in the manner provided by law for assessments by the Department of Banking of costs of examinations or other charges.

B. Within thirty days after the receipt of the articles of merger or articles of consolidation from the Department of State, the Department of Banking shall, upon the basis of the facts disclosed by the investigation provided for by this section, either approve or disapprove such articles. It shall immediately notify the Department of State in writing of its action. If it shall approve the articles of merger or articles of consolidation, it shall endorse its approval thereon, and shall return them to the Department of State.

C. If the Department of Banking disapproves the articles of merger or the articles of consolidation, it shall return them to the Department of State, stating in detail its reasons for doing so. The Department of State shall immediately give notice to the associations desiring to merge or consolidate of the action of the Department of Banking, and of the reasons therefor as stated to it by that department. Such corporations may, within thirty days after the Department of State sends them notice of the disapproval of their articles of merger or articles of consolidation, appeal from such disapproval to the Governor, who shall hear such appeal promptly, and shall, within thirty days thereafter, decide the matter and certify his decision to the Department of Banking. The decision of the Governor shall be conclusive and not subject to review. The Department of Banking shall act in accordance therewith.

Section 1007. Issuance of Certificate of Merger or Certificate of Consolidation.—Immediately upon receipt of the approved articles of merger or articles of consolidation of an association from the Department of Banking, the Department of State shall file the articles, and shall issue to the association, or its representative, a certificate of merger or a certificate of consolidation. A copy of the approved articles of merger or articles of consolidation shall be sent by the Department of State to the Department of Banking.

Section 1008. Effect of Merger or Consolidation.—Upon the merger or consolidation becoming effective, the several associations, parties to the plan of merger or consolidation, shall be a single association, which, in the case of a merger, shall be that association designated in the plan of merger as the surviving association, and, in the case of a consolidation, shall be the new association provided for in the plan of consolidation. The separate existence of all associations, parties to the plan of merger or consolidation, shall cease, except, in the case of a merger, that of the surviving association. The surviving or new association, as the case may be, shall not thereby acquire authority to engage in any business or exercise any right which cannot be acquired by, or which is forbidden to, any association which is incorporated under this act. All the property, real, personal, and mixed, of each of the associations, parties to the plan of merger or consolidation, and all debts or obligations due to any of them, including subscriptions to shares, and other choses in action belonging to either or any of them, shall be taken and deemed to be transferred to and vested in the surviving or new association, as the case may be, without further act or deed. The surviving or new association shall thenceforth be responsible for all the liabilities and obligations of each of the associations so merged or consolidated; but the liabilities of the merging or consolidating associations, or of their shareholders, directors,

or officers, shall not be affected, nor shall the rights of the creditors thereof or of any persons dealing with such associations, or any liens upon the property of such corporations, be impaired by such merger or consolidation, and any claim existing or action or proceeding pending by or against any of such associations may be prosecuted to judgment as if such merger or consolidation had not taken place, or the surviving or new association may be proceeded against or substituted in its place. In the case of a merger, the articles of incorporation of the surviving association shall be deemed to be amended to the extent, if any, that changes in its articles are stated in the articles of merger; and in the case of a consolidation, the statements set forth in the articles of consolidation, and which are required or permitted to be set forth in the articles of incorporation of associations formed under this act, shall be deemed to be the articles of incorporation of the new association.

Section 1009. Rights of Dissenting Shareholders.—
A. If any shareholder of an association which becomes a party to a plan of merger or consolidation shall file with such association, prior to or at the meeting of shareholders at which the plan of merger or consolidation is submitted to a vote, a written objection to such plan of merger or consolidation, and shall not vote in favor thereof, and such shareholder, within twenty days after the merger or consolidation was effected, shall make written demand on the surviving or new association for the payment of the fair value of his shares as of the day prior to the date on which the vote was taken approving the merger or consolidation, without regard to any depreciation or appreciation thereof in consequence of the merger or consolidation, the surviving or new association shall pay to such shareholder the fair value of his shares upon surrender of the share certificate or other evidence of his shares. The demand of the shareholder shall state the number and kind of the shares owned by him. Any shareholder failing to file such written objection or to make demand within the twenty-day period shall be conclusively presumed to have consented to the merger or consolidation, and shall be bound by the terms thereof. If within thirty days after the date on which such merger or consolidation was effected the value of such shares shall be agreed upon by the dissenting shareholder and the surviving or new association, payment thereof shall be made in cash, within ninety days after the date on which such merger or consolidation was effected, upon the surrender of the share certificate or other evidence of his shares. Upon payment of the agreed value, the dissenting shareholder shall cease to have any interest in such shares or in the association.

B. If within such period of thirty days the shareholder and the surviving or new association do not so agree, then the dissenting shareholder may, within sixty

days after the expiration of the thirty-day period, apply, by petition to the court of common pleas, in equity, within the county in which the place of business of the surviving or new association is situated, for the appointment by the court of three disinterested persons to appraise the fair market value of his shares without regard to any depreciation or appreciation thereof in consequence of the merger or consolidation. The award of the appraisers, or of a majority of them, when confirmed by the court, shall be final and conclusive. The costs of such appraisal, including a reasonable fee to the appraisers, shall be fixed by the court, and shall be assessed either upon the new or surviving association, or upon the dissenting shareholder, or upon both, in the discretion of the court. The award shall be payable only upon, and simultaneously with, the surrender to the surviving or new association of the share certificate or certificates representing the shares of the dissenting shareholder. If the award shall not be paid by the surviving or new association within thirty days after the award was made by the appraisers, the amount of the award shall be a judgment against the surviving or new association, as the case may be, and may be collected as other judgments in such court are by law collectible. Upon the payment of the award or judgment, the dissenting shareholder shall cease to have any interest in such shares or in the surviving or new association. Unless the dissenting shareholder shall file a petition within the time herein limited, such shareholder, and all persons claiming under him, shall be conclusively presumed to have approved and ratified the merger or consolidation and shall be bound by the terms thereof. The right of the dissenting shareholder to be paid the fair value of his shares, as herein provided, shall cease if and when the association shall abandon the merger or consolidation.

Section 1010. **Effective Date of Merger or Consolidation.**—Upon the issuance of the certificate of merger or the certificate of consolidation by the Department of State, the merger or consolidation shall be effective. The certificate of merger or the certificate of consolidation shall be conclusive evidence of the performance of all conditions precedent to such consolidation or merger and the creation or existence of a new or surviving association, except as against the Commonwealth.

ARTICLE XI

VOLUNTARY DISSOLUTION OF ASSOCIATIONS

Section 1101. **Voluntary Dissolution by Incorporators.**—A. The incorporators of an association, which has not issued any shares or commenced business, may effect the dissolution of the association by filing articles of dissolution with the Department of State. The articles of dissolution shall be executed under the seal of the

association, signed and verified by a majority of the incorporators, and shall set forth:

- (1) The name of the association.
- (2) The city, borough, or township in which it was to have its place of business.
- (3) The date of its incorporation.
- (4) That the association has not issued any shares or otherwise commenced business.
- (5) That the amount, if any, actually paid in on subscriptions to its shares, less any part thereof disbursed for necessary expenses, has been returned to those entitled thereto.
- (6) That no debts of the association remain unpaid.
- (7) That two-thirds of the incorporators elect that the association be dissolved.

B. The articles of dissolution shall be delivered to the Department of State. If the Department of State finds that the articles conform to law, it shall endorse its approval thereon, and when all fees and charges required by law have been paid, it shall forthwith transmit them to the Department of Banking, which, if it shall approve the granting of the certificate of dissolution, shall endorse its approval on them. It shall forthwith return the articles to the Department of State. The Department of State shall then issue a certificate of dissolution to the incorporators or their representative. Upon the issuance of the certificate of dissolution, the existence of the association shall cease. The Department of State shall send a copy of the articles of dissolution to the Department of Banking.

Section 1102. Voluntary Dissolution Permitted; Limitation.—Any association which has commenced business, and which has issued shares, may elect to dissolve voluntarily and wind up its affairs in the manner and under the circumstances hereinafter provided by this act. However, if it shall appear to the department, upon an examination of the business, assets, and affairs of the association, that its assets will probably be insufficient to pay in full its shareholders and creditors, it may, in its discretion, take possession of the business and property of the association, in which case the Secretary of Banking shall simultaneously and by operation of law take over possession and serve as receiver in the manner provided by law.

Section 1103. Proposal and Ratification of Plan of a Voluntary Dissolution; Election of Liquidating Trustees.—A. A plan to dissolve voluntarily the affairs of an association shall be proposed by resolution adopted by affirmative vote of two-thirds of all the directors of the association. Such resolution shall direct that the question of dissolution be submitted to a vote of the shareholders at a meeting which may be either an annual meeting or a special meeting of the shareholders. Written notice, stating that the purpose, or one of the

purposes, of such meeting is to discuss the desirability of voluntarily dissolving the association, shall be given to each shareholder of record entitled to vote at such meeting within the time and in the manner provided in this act for the giving of notice for a meeting of shareholders. If such meeting be an annual meeting, such purpose shall be included in the notice of the annual meeting.

B. The plan of voluntary dissolution proposed by the directors shall set forth in detail the number of liquidating trustees, which shall be one, three, or five, to be elected by the shareholders, the amount of the bond which shall be supplied by each of them, and the powers, duties, and compensation of such liquidating trustees.

C. The resolution shall be declared adopted upon receiving the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote on the resolution. If the resolution is adopted, the shareholders shall forthwith proceed to elect the number of liquidating trustees provided for in the plan of voluntary liquidation. If more than one liquidating trustee is to be elected, each shareholder shall have the right, in person or by proxy, to multiply the number of votes to which he may be entitled by the number of liquidating trustees to be elected, and he may cast his whole number of such votes for one candidate or he may distribute them among any two or more candidates. The candidates receiving the highest number of votes up to the number of liquidating trustees to be chosen shall be elected.

Section 1104. Certificate of Election to Dissolve Voluntarily.—A. Upon the adoption at a meeting of the shareholders of a resolution for the voluntary dissolution of an association, pursuant to the provisions of this act, a certificate of election to dissolve shall be executed, under the seal of the association, signed and verified by at least two duly authorized officers of the association, which shall set forth:

- (1) The name of the association.
- (2) The exact location of its place of business.
- (3) The names and respective addresses, including the street and number, if any, of its officers.
- (4) The names and respective addresses, including street and number, if any, of its directors.
- (5) The number of directors voting for, and the number voting against, the proposed plan of voluntary dissolution.
- (6) The number of shares outstanding, the number of shares entitled to vote in respect to the dissolution of the association, and the number of shares voted for, and the number voted against, the proposed plan of voluntary dissolution.
- (7) The names and addresses of the proposed liquidating trustees who were elected at the shareholders'

meeting, and the number of votes received by every candidate for the position of liquidating trustee.

(8) The amount of the bond required to be supplied by each trustee.

(9) The signed statement, under oath or affirmation, of each of the proposed liquidating trustees that he is willing to serve as liquidating trustee, subject to the provisions of this act and to the terms of the proposed plan of voluntary dissolution, that he will, so far as the duty devolves upon him, diligently and honestly liquidate the affairs of the association, and will not knowingly violate or permit to be violated any of the provisions of this act or of the proposed plan of voluntary dissolution.

(10) The proposed plan of voluntary dissolution.

B. The certificate of election to dissolve shall be delivered to the Department of Banking. The Department of Banking shall then conduct an examination or an investigation, or take such other action as it deems necessary, to determine whether to approve the plan of voluntary dissolution.

Section 1105. Approval by Department of Banking of Certificate of Election to Dissolve Voluntarily; Filing; Commencing of Liquidation.—If the Department of Banking shall approve the certificate of election to dissolve, it shall endorse its approval thereon, and shall send it to the Department of State for filing. The Department of State shall forthwith send a copy of the certificate to the Department of Banking and a copy to the association or its representative. Upon the filing by the Department of State of the certificate of election to dissolve, the association shall cease to transact its business, and the liquidating trustee or trustees, as the case may be, shall commence the liquidation of the association. The liquidating trustee or trustees shall thereafter be authorized to carry out, in his own name or in their own names as liquidating trustee or trustees of the association, the powers granted to him or to them by the plan of voluntary liquidation.

Section 1106. Notice to Creditors and Shareholders.—A. After the Department of State has transmitted to the association the copy of the certificate of election to dissolve, the liquidating trustee or trustees, as the case may be, shall forthwith give notice to all corporations or persons who appear upon the books or other records of the association as, or who are otherwise known to the liquidating trustee or trustees to be, creditors or shareholders of the association. Such notice shall be sent to or given at the address which appears upon the books or other records of the association for the particular corporation or person, or if no address appears there, then to the last known address of such corporation or person.

The notice to each shareholder shall state the amount which the books or other records of the association show to be due to such shareholder. It shall also state that

unless such shareholder shall present his claim, under oath or affirmation, within three months from the date of the giving of such notice, the amount shown to be due by the books of the association will be conclusively presumed to be correct.

The notice to each creditor, other than a shareholder, shall inform such creditor that he must present his claim, under oath or affirmation, within three months from the date of the giving of such notice, or else be barred from claiming an amount exceeding the amount shown to be due him on the books or other records of the association, and that he must present his claim, under oath or affirmation, within six months from the date of the giving of the notice or else be forever barred from sharing in any distribution of the assets of the association.

B. The liquidating trustee or trustees, as the case may be, shall also forthwith advertise once a week for three successive weeks in a newspaper of general circulation, and in a legal newspaper, if any, that the association is being liquidated pursuant to a plan of voluntary liquidation; that all shareholders must present their claims, under oath or affirmation, within three months after the date specified in such advertisement, which shall not be earlier than the first day on which advertisement was made either in the newspaper of general circulation or in the legal newspaper, or be bound by the amount shown by the books or other records of the association to be due them, or if a shareholder does not appear upon the books or other records of the association to be a shareholder, that he must present his claim, under oath or affirmation, within six months from such date, or else be permanently barred from sharing in the distribution of the assets of the association; and that any creditor, other than a shareholder, must present his claim, under oath or affirmation, within three months from the date specified in the advertisement, which shall not be earlier than the first day on which advertisement was made either in the newspaper of general circulation or in the legal newspaper, or else be barred from claiming an amount exceeding the amount shown to be due him on the books or other records of the association, and that he must present his claim, under oath or affirmation, within six months from such date, or else be forever barred from sharing in any distribution of the assets of the association.

C. After the expiration of three months from the date of giving notice to creditors who appear as creditors upon the books or other records of the association, other than shareholders, the liquidating trustee or trustees, as the case may be, shall forthwith send a notice by registered mail to each creditor who has not yet presented his claim, under oath or affirmation, stating that unless he presents his claim, under oath or affirmation, within six months from the date upon which he was

given the first notice required by this section, he will be forever barred from sharing in any distribution of the assets of the association. Such notice shall be sent to the address which appears for such creditor upon the books or other records of the association, or, if no address appears there, to his last known address.

D. The first insertion of an advertisement in the newspaper of general circulation or in the legal newspaper shall, in so far as possible, be made on the same day as the giving of notice to shareholders and creditors.

Section 1107. Prohibition Upon Allowance of Claims.—The liquidating trustee or trustees, as the case may be, shall not allow any of the following claims:

(1) The claim of a shareholder who appears upon the books or other records of the association as a shareholder, for an amount in excess of the amount which the books or other records show to be due to him as a shareholder, unless he has presented such claim, under oath or affirmation, within three months after the giving of notice to him.

(2) The claim of a shareholder who does not appear upon the books or other records of the association as a shareholder, unless he has presented such claim, under oath or affirmation, within six months after the date of the publication of the first advertisement required by this act.

(3) The claim of any creditor, other than a shareholder, for an amount in excess of the amount shown to be due him on the books or other records of the association, unless he has presented such claim, under oath or affirmation, within three months after the giving of notice to him, or any claim at all of such creditor, unless he has presented such claim, under oath or affirmation, within six months after the giving of notice to him.

(4) The claim of any creditor, other than a shareholder, who does not appear upon the books or other records of the association as a creditor, unless he has presented such claim, under oath or affirmation, within six months after the date of the publication of the first advertisement required by this act.

Section 1108. Bonds of Liquidating Trustees.—Before any liquidating trustee shall enter upon his duties, he shall furnish to the association a bond in such amount as is specified in the certificate of election to dissolve, or in such greater amount as is required by the department, with such corporate surety as is approved by the department, conditioned upon the faithful performance of his duties as liquidating trustee. The department may grant a reduction of such bond whenever it shall appear to it that, as a result of partial liquidation or a decrease in the value of the assets of the association, such reduction is justified. The cost of the bond of a liquidating trustee may be paid out of the assets of the association. Such bond shall be filed with the department.

Section 1109. Death or Resignation of Liquidating Trustees.—A. In any case in which a plan of voluntary dissolution provides for one liquidating trustee, and such liquidating trustee dies, resigns, or for any reason becomes unable to perform the duties of a liquidating trustee, the department shall forthwith appoint a liquidating trustee to take his place.

B. In any case in which a plan of voluntary dissolution provides for three or five liquidating trustees, and one or more of such liquidating trustees die, resign, or for any reason become unable to perform the duties of liquidating trustees, the remaining liquidating trustees, if they constitute a majority of the whole number of liquidating trustees provided by the plan of voluntary dissolution, shall, by a majority vote, select a liquidating trustee or liquidating trustees to take the place of such dead, resigned, or incapacitated liquidating trustee or trustees. If the number of liquidating trustees remaining does not constitute a majority of the whole number of liquidating trustees provided by the plan of voluntary dissolution, or if the number of remaining liquidating trustees constitutes such majority but they are equally divided in their votes for a new liquidating trustee or trustees, the department shall forthwith appoint a liquidating trustee to take his place.

C. Any liquidating trustee appointed pursuant to the provisions of this section shall have the same powers, and shall be subject to the same duties, as the liquidating trustee whose place he takes.

Section 1110. Examination by Department; Taking Possession by Department.—A. The department shall have the same power to examine or investigate the affairs of an association which is in the process of voluntary dissolution, and to assess the cost of such examination or investigation upon such association, as is provided by law in the case of associations which are not in the process of voluntary dissolution.

B. The department shall have the power to take possession of an association which is in the process of voluntary dissolution, and the Secretary of Banking, automatically and by operation of law, to take over such possession as receiver, whenever it shall appear to the department that the best interests of the creditors and shareholders of the association will be served by such action.

Section 1111. Approval of Department Before Payment of Dividend.—A liquidating trustee or trustees, as the case may be, shall not distribute any of the assets of the association in the form of dividends to shareholders without the prior written approval of the department.

Section 1112. Order of Preference in Distribution.—A. The following shall be the order followed by the liquidating trustee or trustees, as the case may be, in the

distribution, pursuant to the provisions of this act, of the assets of any association which is being liquidated in pursuance of a plan of voluntary dissolution:

First. Any reasonable expense incurred by the liquidating trustee or trustees, as the case may be, in the management, liquidation, or distribution of the assets and affairs of the association; any fee or other debt owing to the department for examinations, or other services rendered, or penalties incurred; any other claim of the Commonwealth of Pennsylvania; and any other claim which is given a preference by law.

Second. Any claim of a creditor of the association, other than the claim of a shareholder arising from his ownership of shares.

Third. Any claim of a shareholder, whether or not reduced to a judgment, arising from his ownership of shares, whether such shares be installment, full-paid, prepaid, matured, or any other type. The amount of the claim arising from each share shall be the amount actually paid in on account of such share, less any amount lawfully deductible therefrom by the association, except in the case of a lawfully and properly matured share, in which case the amount of the claim shall be the actual par value of the share less any payment received on account thereof from the association and less any other amount lawfully deductible therefrom by the association.

B. Every claim enumerated above shall have the same rank and priority as every other claim in the same numbered paragraph, regardless of the order in which such claims are enumerated.

C. All claims provided for in this section shall be construed to refer only to claims presented to the liquidating trustee or trustees in the manner provided in this act and approved by him or them in accordance with the plan of dissolution.

Section 1113. Articles of Dissolution.—A. When the liquidating trustee or trustees, as the case may be, have completely liquidated and distributed the assets of an association in the manner provided by this act, articles of dissolution shall be executed under the seal of the corporation, signed and verified by the liquidating trustee or trustees, as the case may be, which shall set forth:

- (1) The name of the association.
- (2) The address, including the street and number, if any, of the place of business of the association.
- (3) A statement that the association has theretofore delivered to the Department of Banking a certificate of election to dissolve, and the date on which the certificate was approved by the Department of Banking.
- (4) A statement that all the assets of the association have been liquidated and the distribution of the proceeds made, in the manner provided by this act.
- (5) A statement that there are no suits pending against the association in any court.

B. The articles of dissolution shall be delivered to the Department of Banking. If the Department of Banking shall approve the articles, it shall endorse its approval thereon, and shall send them to the Department of State, which shall issue to the association, or its representative, a certificate of dissolution. Upon the issuance of the certificate of dissolution, the existence of the association shall cease. The Department of State shall forthwith send a copy of the articles of dissolution to the Department of Banking.

ARTICLE XII

FORFEITURE OF CHARTER; GENERAL CRIMINAL PROVISIONS

Section 1201. Books, Records, and Accounts of Associations; Reports; Prohibitions; Penalty.—A. The total liabilities of each association to shareholders or creditors shall be set out in full upon the books or other records of the association, and in all reports required by law. It shall be unlawful for any association to reduce such liabilities for the purposes of concealing unadjusted losses, expense charges, loans, or for any other purpose. All such losses, expense charges, loans, or other items shall be set up in separate accounts on the books or other records of the association until adjusted or charged off. They shall not be charged in any manner whatsoever against dues or other payments made on account of shares or other credits for which the association may be liable.

B. Whenever an association shall pledge or assign assets as security for any money borrowed by it, the amount of money borrowed, together with the assets pledged or assigned therefor, shall be set out in full on the books or other records of the association and in all reports required by law.

C. An association shall not conceal any of its assets in any manner whatsoever upon its books or other records or in any report required by law, but an accurate and complete record shall be kept of the same. An association shall not, by any system of accounting or any device of bookkeeping, directly or indirectly, enter any of its assets upon its books in the name of any other corporation or person, or under any title or designation that is not truly descriptive thereof.

D. An association shall not, except with the written approval of the department, enter or at any time carry on its books any real or personal property owned by it at a valuation exceeding its actual cost to such association.

E. An association shall preserve in such form and manner that they may be readily produced upon proper demand, all its records of original or final entries for a period of seven years from the date of making the last entry on the same.

F. An officer, director, or employe of an association, who knowingly violates any provision of this section, shall be guilty of a misdemeanor, and shall, upon conviction thereof, be subject to imprisonment not exceeding one year, or a fine not exceeding one thousand dollars, or both.

Section 1202. Repledging of Collateral.—A. Except as otherwise specifically provided in this act, an association shall not repledge any property held by it in pledge or as collateral.

B. Any officer, director, or employe of an association, who knowingly repledges any property held by an association in pledge or as collateral, in any manner except as specifically authorized by this act, shall be guilty of a misdemeanor, and shall, upon conviction thereof, be subject to imprisonment for a period not exceeding one year, or a fine not exceeding one thousand dollars, or both.

Section 1203. Relationship of Association with Employes of Department.—A. An association shall not grant or give any sum of money or other property, whether as a gift, credit, loan, or otherwise, either directly or indirectly, to the Secretary of Banking, or to any deputy, examiner, clerk, or other employe of the department. However, any association may grant a loan to the Secretary of Banking, or any deputy, examiner, clerk, or other employe of the department, if such loan is secured by a mortgage upon his own home which meets all the terms and conditions provided by this act for mortgage loans, and which, in addition, meets any additional conditions imposed and followed by such association in granting such loan.

B. Any officer, director, or employe of an association, who knowingly violates the provisions of this section, or who, on his own behalf, grants or gives any sum of money or other property, whether as a gift, credit, loan, or otherwise, either directly or indirectly, to the Secretary of Banking, or to any deputy, examiner, clerk, or other employe of the department, shall be guilty of a misdemeanor, and shall, upon conviction thereof, be subject to imprisonment for a period not exceeding one year, or a fine not exceeding one thousand dollars, or both; he shall also be subject to a further fine of a sum equal to the amount of the gift, credit, loan, or other sum of money, or the value of any other property given in violation of this section.

Section 1204. Forfeiture of Articles of Incorporation.—A. The articles of incorporation of an association shall be automatically forfeited by operation of law, when—

(1) It has not in any manner exercised at least one of the powers conferred upon it by its articles of incorporation, within two years after the issuance thereof.

(2) It has formerly exercised any of the powers con-

ferred upon it by its articles but for a period of two years it has not exercised at least one of its powers.

(3) The secretary, after having taken possession of the business and property of an association as receiver, has completely liquidated its assets.

(4) The secretary, after having taken possession of the business and property of an association as receiver, has surrendered possession to the association itself because he was without funds to liquidate the business and property.

(5) The secretary, after having taken possession of the business and property of an association as receiver, has surrendered to the association itself, or to any other corporation or person, the assets of the association in order to permit the carrying out of a special plan of liquidation.

(6) Liquidating trustees, pursuant to a plan of voluntary dissolution, have completely liquidated its assets, and have not filed the articles of dissolution pursuant to the provisions of this act.

B. Whenever it shall appear to the department that any of the conditions shall, under the provisions of this section, effect the forfeiture of the articles of an association, it shall, except as otherwise specifically provided in this section, issue a certificate of forfeiture of the articles of incorporation, which shall be filed with the Department of State. The Department of State shall send a copy of such certificate to the last known address of the association and a copy to the Department of Banking.

C. If the articles of incorporation of an association have been forfeited in the manner provided by this section, the corporate powers may, whenever necessary to effect the liquidation and winding up of the business and property of such association, continue for a period of three years, but they shall not be considered in existence for any other purposes whatsoever.

Section 1205. Prohibition Upon Doing of Business by Foreign Corporations.—A. Foreign corporations shall not transact the business of a building and loan association within this Commonwealth, nor maintain an office within this Commonwealth for the purpose of transacting such business. It shall be unlawful for any person to engage in the business of soliciting or receiving within this Commonwealth subscriptions to the shares of such corporation or payments therefor, or of granting loans within this Commonwealth on behalf of such corporations, or of soliciting applications therefor, or of receiving within this Commonwealth, on behalf of such corporation, interest, fees, fines, or premiums upon the shares or loans of such corporation, or of transacting in any other manner business within this Commonwealth on behalf of such corporation.

B. Any individual who shall violate the prohibitions of this section shall be guilty of a misdemeanor, and,

upon conviction thereof, shall be subject to imprisonment for a period not exceeding one year, or a fine not exceeding one thousand dollars, or both. He shall also be subject to a further fine equal to any moneys received by him within this Commonwealth in violation of this section. The corporation which such individual represents shall be guilty of a misdemeanor, and, upon conviction thereof, shall be subject to a fine of five thousand dollars; such corporation shall be subject to a further fine equal to the amount of any moneys received by such corporation or by its agent in violation of this section.

Section 1206. Perjury.—Anyone who shall wilfully and corruptly make a false statement under any oath or affirmation provided for in this act, or anyone who shall, by any means, procure or suborn any other person to do so, shall be guilty of the crime of perjury, and, upon conviction thereof, shall be subject to the same punishment as is or may be provided by law for perjury.

Section 1207. Statute of Limitations for Violation of Act.—Any prosecution for the commission of any criminal offense under the provisions of this act may be commenced at any time within six years after the date upon which the alleged offense shall have been committed. However, if the person against whom such prosecution is brought shall not have been an inhabitant of this Commonwealth, or a usual resident therein, during the term for which he shall be subject to prosecution, then such indictment may be commenced and prosecuted against such person at any time within a similar space of time during which he shall be an inhabitant of, or usual resident within, this Commonwealth.

ARTICLE XIII

EFFECTIVE DATE AND REPEALER

Section 1301. Effective Date.—This act shall become effective on the third day of July, one thousand nine hundred thirty-three.

Section 1302. Acts and Parts of Acts Specifically Repealed.—The following acts and parts of acts are hereby specifically repealed:

The act approved the twenty-eighth day of March, one thousand eight hundred twenty (Pamphlet Laws, one hundred sixty-nine), entitled "An act to regulate proxies," in so far as it relates to associations.

The act approved the sixth day of February, one thousand eight hundred thirty (Pamphlet Laws, forty-two), entitled "A supplement to an act entitled 'An act to incorporate the owners and occupiers of the Wicacoa and Moyamensing meadows, in the county of Philadelphia, for the sole purpose of keeping the banks, dams, sluices and floodgates in repair, and to raise a fund to defray the expenses thereof,' passed twelfth

April, eighteen hundred and twenty-eight, and for other purposes," in so far as it relates to associations.

The act approved the seventh day of March, one thousand eight hundred fifty-three (Pamphlet Laws, one hundred fifty-five), entitled "An act relative to land and building associations," absolutely.

The act approved the third day of May, one thousand eight hundred fifty-five (Pamphlet Laws, four hundred twenty-three), entitled "An act relating to Corporations," in so far as it relates to associations.

The act approved the ninth day of April, one thousand eight hundred fifty-six (Pamphlet Laws, two hundred ninety-three), entitled "Supplement to the acts relating to incorporations by the Courts of Common Pleas," in so far as it relates to associations.

The act approved the eighth day of May, one thousand eight hundred fifty-seven (Pamphlet Laws, four hundred thirty-seven), (Number four hundred ninety-eight) entitled "A supplement to an act relative to Investments by Building Associations, approved May eighth, one thousand eight hundred and fifty-five," absolutely.

The act approved the twelfth day of April, one thousand eight hundred fifty-nine (Pamphlet Laws, five hundred forty-four), entitled "An act to confer on certain Associations of the citizens of this Commonwealth, the powers and immunities of corporations and bodies politic in law, and to confirm charters heretofore granted," absolutely.

The act approved the twenty-seventh day of November, one thousand eight hundred sixty-five (Pamphlet Laws, of one thousand eight hundred sixty-six, page one thousand two hundred twenty-eight), entitled "An act relating to the organization and meetings of certain corporations, incorporated under the laws of this commonwealth," in so far as it relates to associations.

The act approved the thirty-first day of March, one thousand eight hundred sixty-eight (Pamphlet Laws, fifty), entitled "An act to authorize incorporated companies to invest and re-invest surplus funds in mortgages, stocks and other securities, and fixing the time for holding elections for directors," in so far as it relates to associations.

The act approved the fifteenth day of April, one thousand eight hundred sixty-nine (Pamphlet Laws, twenty-nine), entitled "An act requiring a majority of the directors or managers of corporations to constitute a quorum," in so far as it relates to associations.

The act approved the fourth day of April, one thousand eight hundred seventy-two (Pamphlet Laws, forty), entitled "An act supplemental to an act, entitled 'A supplement to acts relating to incorporations by the courts of common pleas,' approved on the ninth day of April,

Anno Domini one thousand eight hundred and fifty-six," in so far as it relates to associations.

The act approved the fourth day of April, one thousand eight hundred seventy-two (Pamphlet Laws, forty-six), entitled "An act for the appointment of a receiver in cases where corporations have been dissolved by judgment of ouster, upon proceedings of quo warranto," in so far as it relates to associations.

The act approved the twentieth day of April, one thousand eight hundred seventy-four (Pamphlet Laws, one hundred ten), entitled "An act to enable the officers of dissolved corporations to convey real estate held by such corporations," in so far as it relates to associations.

The act approved the twenty-ninth day of April, one thousand eight hundred seventy-four (Pamphlet Laws, seventy-three), entitled "An act to provide for the incorporation and regulation of certain corporations," and its amendments, in so far as it relates to associations.

The act approved the fourteenth day of May, one thousand eight hundred seventy-four (Pamphlet Laws, one hundred forty-six), entitled "An act relative to service of process upon the stockholders of corporations in actions brought to charge the stockholders for debts of the corporation, or for unpaid instalments upon their stock," in so far as it relates to associations.

The act approved the fifteenth day of May, one thousand eight hundred seventy-four (Pamphlet Laws, one hundred eighty-six), entitled "An act to authorize corporations to increase the security of their bonded indebtedness," in so far as it relates to associations.

The act approved the seventeenth day of April, one thousand eight hundred seventy-six (Pamphlet Laws, thirty), entitled "A supplement to an act approved April twenty-ninth, one thousand eight hundred and seventy-four, entitled 'An Act to provide for the incorporation and regulation of certain corporations,' providing for the further regulation of such corporations and for the incorporation and regulation of certain additional corporations," and its amendments, in so far as it relates to associations.

The act approved the seventeenth day of April, one thousand eight hundred seventy-six (Pamphlet Laws, forty-one), entitled "An act to confirm conveyances of lands made by savings fund, building and loan associations after expiration of the term of their chartered existence," absolutely.

The act approved the twenty-fifth day of April, one thousand eight hundred seventy-six (Pamphlet Laws, forty-seven), entitled "An act supplementary to the act, entitled 'An Act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, Anno Domini eighteen hundred and seventy-four, extending its provisions to all who may have the right to vote at elections for directors,

managers or trustees," in so far as it relates to associations.

The act approved the twenty-second day of May, one thousand eight hundred seventy-eight (Pamphlet Laws, ninety-six), entitled "An act to extend the time during which corporations may hold and convey the title to real estate, heretofore bought under execution or conveyed to them in satisfaction of debts, and now remaining in their hands unsold," in so far as it relates to associations.

The act approved the twenty-fifth day of May, one thousand eight hundred seventy-eight (Pamphlet Laws, one hundred fifty-five), (Number two hundred), entitled "An act to prevent and punish the re-hypothecation of stocks, bonds or other securities pledged for money lent or borrowed," in so far as it relates to associations.

The act approved the seventeenth day of June, one thousand eight hundred seventy-eight (Pamphlet Laws, two hundred fourteen), entitled "An act to confirm the purchase and sale of real estate by building and loan associations, and to authorize the disposal of the unsold portion thereof," absolutely.

Sections one, two, three, four, five, six, seven and nine of the act approved the tenth day of April, one thousand eight hundred seventy-nine (Pamphlet Laws, sixteen), (Number fourteen), entitled "An act relating to mutual saving fund, building and loan associations, regulating the mode of charging premiums, bonus or interest in advance, of withdrawals, of repayment and collection of loans, also restricting the power to levy excessive fines, and defining the rights and liabilities of married women stockholders, and prescribing the nonapplication to these associations of the bonus tax and registry laws for corporations," absolutely.

The act approved the thirteenth day of May, one thousand eight hundred seventy-nine (Pamphlet Laws, fifty-seven), entitled "An act to authorize corporations to borrow money to redeem previous loans authorized by special laws, and limiting the rate of interest and terms thereof and providing for the payment of mechanics' liens," in so far as it relates to associations.

The act approved the tenth day of June, one thousand eight hundred eighty-one (Pamphlet Laws, one hundred seven), (Number one hundred eighteen), entitled "A supplement to an act, entitled 'An act to prevent and punish the rehypothecation of stocks, bonds or other securities pledged for money lent or borrowed,' approved the twenty-fifth day of May, Anno Domini one thousand eight hundred seventy-eight," in so far as it relates to associations.

The act approved the twenty-second day of May, one thousand eight hundred eighty-three (Pamphlet Laws, forty-one), entitled "An act to revive and continue in force the provisions of an act, entitled 'An act to extend

the time during which corporations may hold and convey the title to real estate heretofore bought under execution, or conveyed to them in satisfaction of debts, and now remaining in their hands unsold,' approved the twenty-second day of May, Anno Domini eighteen hundred and seventy-eight," in so far as it relates to associations.

The act approved the thirteenth day of June, one thousand eight hundred eighty-three (Pamphlet Laws, one hundred twenty-two), entitled "A supplement to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved April twenty-ninth, one thousand eight hundred and seventy-four, providing for the improvement, amendment and alteration of the charters of corporations of the second class, and authorizing the incorporation of traction motor companies," in so far as it relates to associations.

The act approved the twenty-fifth day of June, one thousand eight hundred eighty-five (Pamphlet Laws, one hundred seventy-eight), entitled "An act to amend an act, entitled 'An act to enable the officers of dissolved corporations to convey real estate held by such corporations,' authorizing the court to direct the sale of such real estate, on the petition of any one, or more of the shareholders," in so far as it relates to associations.

The act approved the twenty-sixth day of May, one thousand eight hundred eighty-seven (Pamphlet Laws, two hundred seventy-four), entitled "A supplement to an act to revive and continue in force the provisions of an act, entitled 'An act to extend the time during which corporations may hold and convey the title to real estate heretofore bought under execution, or conveyed to them in satisfaction of debts, and now remaining in their hands unsold,' approved the twenty-second day of May, Anno Domini one thousand eight hundred and eighty-three," in so far as it relates to associations.

The act approved the thirty-first day of May, one thousand eight hundred eighty-seven (Pamphlet Laws, two hundred eighty-one), entitled "An act permitting the stockholders of corporations to determine the number of directors, and the time for holding annual elections of officers," in so far as it relates to associations.

The act approved the seventeenth day of June, one thousand eight hundred eighty-seven (Pamphlet Laws, four hundred eleven), entitled "A further supplement to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved April twenty-ninth, one thousand eight hundred and seventy-four, providing for the further regulation of such corporations," in so far as it relates to associations.

The act approved the twenty-fifth day of May, one thousand eight hundred and eighty-seven (Pamphlet Laws, two hundred seventy-three), entitled "A supplement to an act, entitled 'An act to provide for the in-

corporation and regulation of certain corporations,' approved the twenty-ninth day of April, Anno Domini one thousand eight hundred and seventy-four, amending the twelfth section of said act, and thereby relieving full paid capital stock from liability to further assessment," in so far as it relates to associations.

The act approved the seventh day of May, one thousand eight hundred eighty-nine (Pamphlet Laws, one hundred two), (Number one hundred eight), entitled "An act defining evidence of stock ownership in corporations and for determining the right to vote thereon," in so far as it relates to associations.

The act approved the twenty-first day of May, one thousand eight hundred eighty-nine (Pamphlet Laws, two hundred fifty-seven), entitled "A supplement to an act approved April twenty-ninth, one thousand eight hundred and seventy-four, entitled 'An act to provide for the incorporation and regulation of certain corporations,' amending the thirteenth section thereof," in so far as it relates to associations.

The act approved the fifteenth day of April, one thousand eight hundred ninety-one (Pamphlet Laws, fifteen), entitled "An act to amend an act, entitled 'An act to amend an act, entitled "An act to enable the officers of dissolved corporations to convey real estate held by such corporations,' authorizing the court to direct the sale of such real estate, on the petition of any one or more of the shareholders," approved the twenty-fifth day of June, one thousand eight hundred and eighty-five,' authorizing the court to direct the sale of such real estate on the petition of any one or more of the shareholders or their legal representatives whenever requested so to do," in so far as it relates to associations.

The act approved the fourteenth day of May, one thousand eight hundred ninety-one (Pamphlet Laws, sixty-one), entitled "An act to amend the fifth section of an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved April twenty-ninth, one thousand eight hundred and seventy-four, defining the officers of corporations and allowing certain officers receiving salaries to be directors and receive compensations," in so far as it relates to associations.

The act approved the twentieth day of May, one thousand eight hundred ninety-one (Pamphlet Laws, one hundred one), (Number seventy-seven), entitled "An act authorizing salaried officers of private or business corporations to concurrently serve as directors therein," in so far as it relates to associations.

The act approved the second day of June, one thousand eight hundred ninety-one (Pamphlet Laws, one hundred seventy-four), entitled "A supplement to an act, entitled 'An act to provide for the incorporation of certain corporations, approved the twenty-ninth day

of April, one thousand eight hundred and seventy-four,' so far as it relates to section thirty-seven, relating to building and loan associations," absolutely.

The act approved the twenty-sixth day of April, one thousand eight hundred and ninety-three (Pamphlet Laws, twenty-six), (Number twenty-two), entitled "An act providing for the appointment of a receiver in cases where corporations have been dissolved by judgment of ouster upon proceedings of quo warranto," in so far as it relates to associations.

The act approved the eleventh day of May, one thousand eight hundred and ninety-three (Pamphlet Laws, forty-two), (Number forty), entitled "An act to authorize corporations organized for profit under the laws of Pennsylvania, to make allowances or pensions to employes for faithful and long continued service who, in such service have become old, infirm or disabled," in so far as it relates to associations.

The act approved the eighteenth day of May, one thousand eight hundred and ninety-three (Pamphlet Laws, eighty-eight), entitled "An act to revive and continue in force provisions of an act, entitled 'An act to extend the time during which corporations may hold and convey the title to real estate heretofore bought under execution, or conveyed to them in satisfaction of debts and now remaining in their hands unsold,' approved the twenty-sixth day of May, Anno Domini one thousand eight hundred and eighty-seven," in so far as it relates to associations.

The act approved the twenty-sixth day of May, one thousand eight hundred and ninety-three (Pamphlet Laws, one hundred forty-one), entitled "An act amending an act, entitled 'An act defining evidence of stock ownership in corporations, and for determining the right to vote thereon,' approved May seventh, one thousand eight hundred and eighty-nine, further defining evidence of stock ownership and the right to vote thereon," in so far as it relates to associations.

The act approved the eighth day of June, one thousand eight hundred and ninety-three (Pamphlet Laws, three hundred fifty-one), entitled "An act to provide for the manner of reducing the capital stock of corporations," in so far as it relates to associations.

The act approved the eighth day of June, one thousand eight hundred and ninety-three (Pamphlet Laws, three hundred fifty-five), entitled "An act to regulate the change of location of the principal office, the place of annual and other meetings of stockholders, and the time of such annual meetings of corporations of this Commonwealth," in so far as it relates to associations.

The act approved the tenth day of June, one thousand eight hundred and ninety-three (Pamphlet Laws, four hundred seventeen), (Number three hundred sixteen), entitled "An act to authorize corporations to increase

their capital stock for corporate purposes," in so far as it relates to associations.

The act approved the twenty-fourth day of June, one thousand eight hundred and ninety-five (Pamphlet Laws, two hundred fifty-eight), (Number one hundred seventy-two), entitled "An act relating to and regulating the issue and transfer of certificates of stock by companies incorporated under the laws of this Commonwealth," in so far as it relates to associations.

The act approved the twenty-fifth day of June, one thousand eight hundred and ninety-five (Pamphlet Laws, three hundred three), entitled "An act amending an act, entitled 'A supplement to an act, entitled "An act to provide for the incorporation of certain corporations," approved the twenty-ninth day of April, one thousand eight hundred and seventy-four, so far as it relates to section thirty-seven, relating to building and loan associations,' approved June second, one thousand eight hundred and ninety-one, giving such associations the right, when a series of stock has matured, or when applications for loans by the stockholders thereof shall exceed the accumulations in the treasury to make temporary loans," absolutely.

The act approved the twenty-sixth day of June, one thousand eight hundred and ninety-five (Pamphlet Laws, three hundred sixty-nine), (Number two hundred sixty-one), entitled "A supplement to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, Anno Domini one thousand eight hundred and seventy-four, further amending the twelfth section thereof, so as to permit corporations organized thereunder, either for the purpose of carrying on any manufacturing business or for the supply of water, or for the manufacture or supplying of light, to purchase bonds or stock of other corporations of the same character, or to guarantee the payment of interest and principal of such bonds, or either principal or interest, or to lease and operate corporate property," in so far as it relates to associations.

The act approved the twentieth day of April, one thousand eight hundred and ninety-seven (Pamphlet Laws, twenty-eight), (Number twenty-three), entitled "An act to revive and continue in force provisions of an act, entitled 'An act to extend the time which corporations may hold and convey the title to real estate heretofore bought under execution, or conveyed to them in satisfaction of debts and now remaining in their hands unsold,' approved the eighteenth day of May, Anno Domini one thousand eight hundred and ninety-three," in so far as it relates to associations.

The act approved the ninth day of February, one thousand nine hundred and one (Pamphlet Laws, three), entitled "An act to provide for increasing the capital

stock and indebtedness of corporations," in so far as it relates to associations.

The act approved the nineteenth day of April, one thousand nine hundred and one (Pamphlet Laws, eighty), (Number fifty-one), entitled "An act to regulate the number of directors in corporations chartered under the laws of this Commonwealth," in so far as it relates to associations.

The act approved the eleventh day of May, one thousand nine hundred and one (Pamphlet Laws, one hundred fifty-three), entitled "An act regulating foreign mutual savings fund or building and loan associations doing business within this Commonwealth, and prescribing an annual license fee to be paid by such associations," absolutely.

The act approved the twenty-ninth day of May, one thousand nine hundred and one (Pamphlet Laws, three hundred twenty-six), entitled "A supplement to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved April twenty-ninth, one thousand eight hundred and seventy-four; authorizing formation of corporations for profit by voluntary association of three or more persons, one of whom, at least, must be a citizen of this Commonwealth," in so far as it relates to associations.

The act approved the twenty-ninth day of May, one thousand nine hundred and one (Pamphlet Laws, three hundred forty-nine), entitled "An act supplementary to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, one thousand eight hundred and seventy-four; providing for the merger and consolidation of certain corporations," in so far as it relates to associations.

The act approved the fourth day of June, one thousand nine hundred and one (Pamphlet Laws, four hundred three), entitled "An act conferring upon mutual savings fund or building and loan associations, now incorporated, or hereafter to be incorporated, the right to receive, in writing, bids of premium for priority, and making valid all such bids heretofore accepted," absolutely.

The act approved the seventh day of June, one thousand nine hundred and one (Pamphlet Laws, five hundred thirty), entitled "An act to amend the forty-fifth section of an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, Anno Domini one thousand eight hundred and seventy-four; providing for the publication in separate pamphlet form of a certified list of all charters of incorporation," in so far as it relates to associations.

The act approved the second day of July, one thousand nine hundred and one (Pamphlet Laws, six

hundred three), (Number two hundred ninety-eight), entitled "An act authorizing corporations, organized for profit, to purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of, the shares of capital stock of, or any bonds, securities or evidences of indebtedness created by, any other corporation," in so far as it relates to associations.

The act approved the second day of July, one thousand nine hundred and one (Pamphlet Laws, six hundred six), (Number three hundred two), entitled "An act authorizing corporations organized under the laws of Pennsylvania to increase or diminish the par value of the shares of their capital stock," in so far as it relates to associations.

The act approved the fifth day of March, one thousand nine hundred and three (Pamphlet Laws, fourteen), (Number seventeen), entitled "An act concerning proxies, authorizing representation and voting of shares of capital stock of corporations at meetings and elections thereof," in so far as it relates to associations.

The act approved the twenty-fourth day of March, one thousand nine hundred and three (Pamphlet Laws, fifty), (Number fifty-two), entitled "An act relating to the taking of stock votes, upon subjects presented to stockholders of corporations of this Commonwealth for their action," in so far as it relates to associations.

The act approved the fifteenth day of April, one thousand nine hundred and three (Pamphlet Laws, two hundred), (Number one hundred forty-five), entitled "An act to revive and continue in force the provisions of an act, entitled 'An act to extend the time during which corporations may hold and convey the title to real estate, heretofore bought under execution or conveyed to them in satisfaction of debts, and now remaining in their hands unsold,' approved the twentieth day of April, Anno Domini one thousand eight hundred and ninety-seven," in so far as it relates to associations.

The act approved the twenty-second day of April, one thousand nine hundred and three (Pamphlet Laws, two hundred fifty-one), entitled "An act regulating the change of corporate titles," in so far as it relates to associations.

The act approved the twenty-third day of April, one thousand nine hundred and three (Pamphlet Laws, two hundred seventy-two), entitled "An act to amend the first section of an act, entitled 'A supplement to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations, approved April twenty-nine, one thousand eight hundred and seventy-four,' authorizing the formation of corporations for profit by voluntary association of three or more persons, one of whom, at least, must be a citizen of this Commonwealth.' said supplement approved the twenty-ninth day of May, one thousand nine hundred and one; and

to extend the provisions of said act to all corporations for profit embraced within corporations of the second class, defined in section two (2) and the various supplements to section two (2), of the act of April twenty-ninth, one thousand eight hundred and seventy-four, and confirming all charters granted under the said supplements, to corporations which have been formed under the various supplements to the said section two (2) of the act of April twenty-ninth, one thousand eight hundred and seventy-four by the association of three or more persons, one of whom at least was a citizen of this Commonwealth," in so far as it relates to associations.

The act approved the sixteenth day of March, one thousand nine hundred and five (Pamphlet Laws, forty-two), (Number twenty-six), entitled "An act providing for the voting of shares of stock in corporations in this Commonwealth, held by executors, administrators, guardians, and trustees, and the manner of voting the same," in so far as it relates to associations.

The act approved the thirty-first day of March, one thousand nine hundred and five (Pamphlet Laws, ninety-three), entitled "An act amending the third section of a supplement to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved April twenty-nine, one thousand eight hundred and seventy-four, 'providing for the improvement, amendment and alteration of the charters of corporations of the second class, and authorizing the incorporation of traction motor companies,' approved the thirteenth day of June, Anno Domini one thousand eight hundred and eighty-three; requiring corporations to file a certificate with the Governor of the Commonwealth, setting forth that all reports required by the Auditor General of the Commonwealth have been duly filed, and that all taxes due the Commonwealth have been paid, before the improvement, amendment or alteration of the charter of any corporation," in so far as it relates to associations.

The act approved the thirty-first day of March, one thousand nine hundred and five (Pamphlet Laws, ninety-five), entitled "An act to amend section three of a supplement to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, one thousand eight hundred and seventy-four, providing for the merger and consolidation of certain corporations, approved the twenty-ninth day of May, one thousand nine hundred and one; requiring the filing of all reports required by the Auditor General, and the payment of all taxes due the Commonwealth of Pennsylvania, by corporations, before merger or consolidation," in so far as it relates to associations.

The act approved the twenty-second day of April, one thousand nine hundred and five (Pamphlet Laws, two hundred sixty-four), (Number one hundred eighty-

three), entitled "An act to amend the first section of an act, entitled 'An act to provide for the manner of reducing the capital stock of corporations,' approved the eighth day of June, Anno Domini one thousand eight hundred and ninety-three (1893); extending the provisions of the said act to all corporations created by general or special law, and repealing all acts or parts of acts inconsistent therewith," in so far as it relates to associations.

The act approved the twenty-second day of April, one thousand nine hundred and five (Pamphlet Laws, two hundred eighty), entitled "An act to amend section one of the act, entitled 'An act to provide for increasing the capital stock and indebtedness of corporations,' approved the ninth day of February, Anno Domini one thousand nine hundred and one; authorizing corporations to increase their capital stock and indebtedness, and secure the payment of principal and interest of their indebtedness," in so far as it relates to associations.

The act approved the twelfth day of June, one thousand nine hundred and seven (Pamphlet Laws, five hundred twenty-five), entitled "An act requiring banks, trust companies, savings funds societies, building and loan associations, bond and investment companies, provident associations, and all other corporations under supervision of the Commissioner of Banking, to furnish receipt in full to each depositor or investor for moneys received, which shall also be entered in full on books of the company; statement of liabilities to be set out in full in all reports to Commissioner of Banking or other supervisory authorities; statement of all moneys borrowed, to be placed in full as liabilities on books of the company; violation of provisions of this act a misdemeanor, and penalty therefor," in so far as it relates to associations.

The act approved the twenty-ninth day of April, one thousand nine hundred and nine (Pamphlet Laws, two hundred eighty-nine), (Number one hundred eighty-five), entitled "An act to prevent any individual from holding, at the same time, more than one of the offices of president, vice-president, secretary, treasurer, or solicitor of any building and loan association, incorporated under the laws of this Commonwealth, and providing a penalty for the breach thereof," absolutely.

The act approved the third day of May, one thousand nine hundred and nine (Pamphlet Laws, four hundred eight), entitled "An act authorizing the merger and consolidation of certain corporations," in so far as it relates to associations.

The act approved the twenty-third day of May, one thousand nine hundred and thirteen (Pamphlet Laws, three hundred thirty-six), (Number two hundred twenty-two), entitled "An act authorizing corporations of this Commonwealth to declare, at any time or times, divi-

dends out of net profits; and prescribing the time within which the same shall be paid," in so far as it relates to associations.

The act approved the fourteenth day of May, one thousand nine hundred thirteen (Pamphlet Laws, two hundred five), (Number one hundred forty-four), entitled "An act enlarging the powers of mutual savings fund or building and loan associations; authorizing them to accumulate a reserve fund to pay contingent losses, and validating such funds heretofore accumulated; to permit members to secure the repayment of one-half of their loans by a straight bond and mortgage, for a fixed term, and authorizing said associations to so secure loans; authorizing said associations to make loans in certain cases upon a stipulated premium; and further authorizing them to loan money to other like associations under certain conditions; and repealing all laws inconsistent with this act," absolutely.

The act approved the sixth day of June, one thousand nine hundred thirteen (Pamphlet Laws, four hundred fifty-nine), (Number three hundred five), entitled "An act to confirm conveyances of lands made by Building and Loan Associations after expiration of the term of their chartered existence," absolutely.

The act approved the twenty-ninth day of April, one thousand nine hundred fifteen (Pamphlet Laws, two hundred five), entitled "An act to amend the third section of an act, entitled 'An act authorizing the merger and consolidation of certain corporations,' approved the third day of May, Anno Domini one thousand nine hundred and nine," in so far as it relates to associations.

The act approved the second day of June, one thousand nine hundred fifteen (Pamphlet Laws, seven hundred twenty-four), (Number three hundred thirty-three), entitled "An act to amend section twenty-three of an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved April twenty-ninth, one thousand eight hundred and seventy-four, as amended by the fifth section of an act, entitled 'A supplement to an act approved April twenty-ninth, one thousand eight hundred and seventy-four, entitled 'An act to provide for the incorporation and regulation of certain corporations,' providing for the further regulation of such corporations and for the incorporation and regulation of certain additional corporations,' approved April seventeenth, one thousand eight hundred and seventy-six; requiring the filing of all the reports required by the Auditor General of the Commonwealth, and the payment of all taxes due the Commonwealth of Pennsylvania, by certain corporations, up to and including the date of the proposed sale, assignment, disposition, and conveyance of the franchises and property of such corporation before the returns authorizing such sale, assignment, disposition, and conveyance

shall be filed in the office of the Secretary of the Commonwealth," in so far as it relates to associations.

The act approved the seventeenth day of May, one thousand nine hundred seventeen (Pamphlet Laws, two hundred twenty-eight), entitled "An act to authorize the payment by corporations to their directors of compensation for services rendered by them," in so far as it relates to associations.

The act approved the fifth day of July, one thousand nine hundred seventeen (Pamphlet Laws, six hundred seventy-five), entitled "An act to amend section five of an act, approved the tenth day of April, one thousand eight hundred and seventy-nine, entitled 'An act relating to mutual saving fund, building and loan associations, regulating the mode of charging premiums, bonus or interest in advance, of withdrawals, of repayment and collection of loans, also restricting the power to levy excessive fines, and defining the rights and liabilities of married women stockholders, and prescribing the nonapplication to these associations of the bonus tax and registry laws for corporations,'" absolutely.

The act approved the fifth day of July, one thousand nine hundred seventeen (Pamphlet Laws, six hundred eighty), entitled "An act to amend section one of an act, approved the twenty-ninth day of April, one thousand nine hundred nine, entitled 'An act to prevent any individual from holding, at the same time, more than one of the offices of president, vice-president, secretary, treasurer, or solicitor of any building and loan association, incorporated under the laws of this Commonwealth, and providing a penalty for the breach thereof,' by prohibiting the president, vice-president, secretary, or treasurer from holding the office of conveyancer," absolutely.

The act approved the fifth day of July, one thousand nine hundred seventeen (Pamphlet Laws, six hundred eighty-one), (Number two hundred forty-eight), entitled "An act permitting corporations to invest their surplus funds in bonds of the United States issued for war purposes," in so far as it relates to associations.

The act approved the fifth day of July, one thousand nine hundred seventeen (Pamphlet Laws, six hundred ninety-eight), (Number two hundred fifty-eight), entitled "An act to authorize corporations organized for profit, under the laws of Pennsylvania, to continue the salaries of employes enlisting or enrolling in any branch of the military or naval service of the United States, or other protective organizations," in so far as it relates to associations.

The act approved the eighteenth day of April, one thousand nine hundred and nineteen (Pamphlet Laws, sixty-seven), entitled "An act to give to women, married and single, the same right as men to be incorporators, and, in furtherance of their interests as stockholders, to serve

as directors and officers of corporations for profit," in so far as it relates to associations.

The act approved the ninth day of July, one thousand nine hundred and nineteen (Pamphlet Laws, eight hundred eight), entitled "An act permitting building and loan associations to make temporary loans, and to secure payment by pledge of bonds of the United States issued for war purposes," absolutely.

The act approved the thirtieth day of March, one thousand nine hundred and twenty-one (Pamphlet Laws, fifty-four), (Number twenty-eight), entitled "An act permitting corporations to change the date of their annual meeting as fixed by its charter," in so far as it relates to associations.

The act approved the fifth day of May, one thousand nine hundred and twenty-one (Pamphlet Laws, three hundred eighty), entitled "An act to amend section thirty-seven, clause nine, of the act, approved the twenty-ninth day of April, one thousand eight hundred and seventy-four (Pamphlet Laws, seventy-three), entitled 'An act to provide for the incorporation and regulation of certain corporations'; increasing the powers of building and loan associations to purchase and hold real estate," absolutely.

The act approved the twenty-fourth day of May, one thousand nine hundred twenty-one (Pamphlet Laws, one thousand seventy-one), entitled "An act requiring banks, banking corporations, copartnerships, or associations, coöperative banking associations, trust, safe deposit, real estate, mortgage, title insurance, guaranty, surety, and indemnity companies, savings institutions, savings banks, provident institutions, building and loan associations, lodges and societies, to file of record names of persons authorized to make entries on records of mortgages; imposing certain duties on recorders of deeds; and declaring certain entries void," in so far as it relates to associations.

The act approved the fifteenth day of March, one thousand nine hundred twenty-three (Pamphlet Laws, ten), entitled "An act relating to the recording of certificates of incorporation of domestic corporations; providing for the recording of certified copies thereof in certain cases; validating the recording of such certified copies heretofore recorded; and making the record of such certified copies competent evidence for all purposes," in so far as it relates to associations.

The act approved the twelfth day of July, one thousand nine hundred twenty-three (Pamphlet Laws, one thousand eighty-three), entitled "An act authorizing corporations to issue stock at a price in excess of the par value thereof," in so far as it relates to associations.

The act approved the first day of April, one thousand nine hundred and twenty-five (Pamphlet Laws, one hundred two), entitled "An act to amend section one

of the act, approved the twenty-fourth day of May, one thousand nine hundred and twenty-one (Pamphlet Laws, one thousand and seventy-one), entitled 'An act requiring banks, banking corporations, copartnerships, or associations, coöperative banking associations, trust, safe deposit, real estate, mortgage, title insurance, guaranty, surety, and indemnity companies, savings institutions, savings banks, provident institutions, building and loan associations, lodges and societies, to file of record names of persons authorized to make entries on records of mortgages; imposing certain duties on recorders of deeds; and declaring certain entries void,' by extending its provisions to all corporations, copartnerships, and associations," in so far as it relates to associations.

The act approved the seventh day of April, one thousand nine hundred and twenty-five (Pamphlet Laws, one hundred eighty-three), entitled "An act providing that certificates of association and articles of incorporation or of any improvements, amendments, or alterations thereto may be acknowledged and sworn or affirmed to before a notary public or justice of the peace; validating such acknowledgments made prior to the approval of this act," in so far as it relates to associations.

The act approved the thirtieth day of April, one thousand nine hundred and twenty-five (Pamphlet Laws, four hundred three), entitled "An act relating to the dissolution of corporations; and imposing certain duties on the Secretary of the Commonwealth and the prothonotaries," in so far as it relates to associations.

The act approved the twelfth day of May, one thousand nine hundred and twenty-five (Pamphlet Laws, six hundred fifteen), entitled "An act pertaining to corporations organized or doing business within the Commonwealth; limiting the operation of their by-laws; and providing for the execution of contracts, notes, mortgages, et cetera, by such corporations," in so far as it relates to associations.

The act approved the thirteenth day of May, one thousand nine hundred and twenty-five (Pamphlet Laws, six hundred seventy-nine), (Number three hundred sixty-eight), entitled "An act authorizing corporations to issue stock to their employes and to employes of their subsidiaries, at par value, or at a price in excess of par value," in so far as it relates to associations.

The act approved the twenty-ninth day of March, one thousand nine hundred twenty-seven (Pamphlet Laws, seventy), entitled "An act to amend section one of the act, approved the twenty-fifth day of April, one thousand eight hundred and seventy-six (Pamphlet Laws, forty-seven), entitled 'An act supplementary to the act, entitled "An act to provide for the incorporation and regulation of certain corporations," approved the twenty-ninth day of April, Anno Domini eighteen hundred and seventy-four, extending its provisions to all who

may have the right to vote at elections for directors, managers or trustees,' regulating the manner of voting in first-class corporations," in so far as it relates to associations.

The act approved the fifth day of April, one thousand nine hundred twenty-seven (Pamphlet Laws, one hundred ten), entitled "An act prescribing a uniform method for the issuance of full paid stock by building and loan associations; prescribing a maximum periodical rate of dividend that may be paid thereon; providing for the withdrawal and transfer thereof," absolutely.

The act approved the eighth day of April, one thousand nine hundred twenty-seven (Pamphlet Laws, one hundred seventy-nine), entitled "An act to amend section one of an act approved the fourteenth day of May, one thousand nine hundred and thirteen (Pamphlet Laws, two hundred and five), entitled 'An act enlarging the powers of mutual savings fund or building and loan associations; authorizing them to accumulate a reserve fund to pay contingent losses, and validating such funds heretofore accumulated; to permit members to secure the repayment of one-half of their loans by a straight bond and mortgage, for a fixed term, and authorizing said associations to so secure loans; authorizing said associations to make loans in certain cases upon a stipulated premium; and further authorizing them to loan money to other like associations under certain conditions; and repealing all laws inconsistent with this act,' permitting building and loan associations to have contingent funds not in excess of fifteen per centum of their assets," absolutely.

The act approved the twenty-second day of April, one thousand nine hundred twenty-seven (Pamphlet Laws, three hundred fifty-three), (Number two hundred eighteen), entitled "An act to amend subdivision three of section three of an act, approved the twenty-ninth day of April, one thousand eight hundred and seventy-four (Pamphlet Laws, seventy-three), entitled 'An act to provide for the incorporation and regulation of certain corporations,' by regulating the weekly advertisements for corporate charters," in so far as it relates to associations.

The act approved the twenty-first day of April, one thousand nine hundred twenty-seven (Pamphlet Laws, three hundred thirty-three), entitled "An act prescribing a uniform method of issuing notes, by building and loan associations, for money borrowed," absolutely.

The act approved the twenty-seventh day of April, one thousand nine hundred twenty-seven (Pamphlet Laws, four hundred four), (Number two hundred fifty-nine), entitled "An act making it unlawful for building and loan associations to charge a withdrawal or membership fee in excess of a certain amount, and requiring a receipt to be given in case a membership fee is charged,

and providing for such membership fees to be charged to the general profit account," absolutely.

The act approved the twenty-seventh day of April, one thousand nine hundred and twenty-seven (Pamphlet Laws, four hundred four), (Number two hundred sixty), entitled "An act prohibiting corporations from pleading usury as a defense," in so far as it relates to associations.

The act approved the twenty-seventh day of April, one thousand nine hundred and twenty-seven (Pamphlet Laws, four hundred five), (Number two hundred sixty-one), entitled "An act authorizing building and loan associations to issue stock to minors; providing for the withdrawal thereof; and providing also for the withdrawal of stock in certain cases by the beneficiary in the event of the death of the trustee," absolutely.

The act approved the sixth day of May, one thousand nine hundred and twenty-seven (Pamphlet Laws, eight hundred twenty-eight), (Number four hundred seventeen), entitled "An act to further amend the second paragraph of the fifth section of an act, approved the twenty-ninth day of April, one thousand eight hundred and seventy-four (Pamphlet Laws, seventy-three), entitled 'An act to provide for the incorporation and regulation of certain corporations,' " in so far as it relates to associations.

The act approved the twenty-seventh day of March, one thousand nine hundred and twenty-nine (Pamphlet Laws, seventy-four), entitled "An act amending section one of an act, entitled 'An act authorizing corporations, organized for profit, to purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of, the shares of capital stock of, or any bonds, securities or evidences of indebtedness created by, any other corporation,' approved the second day of July, Anno Domini one thousand nine hundred and one (Pamphlet Laws, six hundred and three), so as to include corporations, either public or private, of this or any other State or of the United States of America, or of any territory or dependency thereof, or of any foreign country or any subdivision or agency thereof; and to validate all purchases, sales, assignments, transfers, mortgages, pledges, or other disposition thereof at any time heretofore made," in so far as it relates to associations.

The act approved the tenth day of April, one thousand nine hundred and twenty-nine (Pamphlet Laws, four hundred eighty), entitled "An act to amend section one of the act, approved the twenty-fourth day of June, one thousand eight hundred and ninety-five (Pamphlet Laws, two hundred fifty-eight), entitled 'An act relating to and regulating the issue and transfer of certificates of stock by companies incorporated under the laws of this Commonwealth,' by authorizing the counter-signatures of assistant treasurers thereon; by permitting the signatures, counter-signatures, and seals thereon in fac-

simile printed or engraved; and validating certificates of stock heretofore so executed and issued," in so far as it relates to associations.

The act approved the eighteenth day of April, one thousand nine hundred and twenty-nine (Pamphlet Laws, five hundred forty-four), entitled "An act to amend the act, approved the second day of July, one thousand nine hundred and one (Pamphlet Laws, six hundred three), entitled 'An act authorizing corporations, organized for profit, to purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of, the shares of capital stock of, or any bonds, securities, or evidences of indebtedness created by, any other corporation,' by extending the provisions thereof so as to apply to all corporations, and validating past transactions of such character," in so far as it relates to associations.

The act approved the sixteenth day of April, one thousand nine hundred and twenty-nine (Pamphlet Laws, five hundred twenty-seven), (Number two hundred twenty-eight), entitled "An act regulating loans by building and loan associations," absolutely.

The act approved the twenty-fifth day of April, one thousand nine hundred and twenty-nine (Pamphlet Laws, seven hundred sixty-six), entitled "An act regulating the granting of loans by building and loan associations where the security, in whole or part, is to be a mortgage or lien on real estate; providing penalties, and fixing the time during which indictments under this act may be found and prosecuted," absolutely.

The act approved the thirtieth day of April, one thousand nine hundred and twenty-nine (Pamphlet Laws, nine hundred one), entitled "An act to amend section four of the act, approved the tenth day of April, one thousand eight hundred and seventy-nine (Pamphlet Laws, sixteen), entitled 'An act relating to mutual saving fund, building and loan associations, regulating the mode of charging premiums, bonus, or interest in advance, of withdrawals, of repayment and collection of loans, also restricting the power to levy excessive fines, and defining the rights and liabilities of married women stockholders, and prescribing the nonapplication to these associations of the bonus tax and registry laws for corporations,' " absolutely.

The act approved the thirtieth day of April, one thousand nine hundred and twenty-nine (Pamphlet Laws, nine hundred three), entitled "An act relating to corporations; providing methods of determining what stockholders shall be entitled to vote at meetings, or to receive dividends, or allotments of rights, or to exercise rights; and the effect thereon of transfers of stock within sixty days of any election or meeting," in so far as it relates to associations.

The act approved the eighth day of May, one thou-

sand nine hundred and twenty-nine (Pamphlet Laws, one thousand six hundred forty-seven), (Number five hundred twelve), entitled "An act to amend the act approved the twenty-seventh day of April, one thousand nine hundred and twenty-seven (Pamphlet Laws, four hundred four), entitled 'An act prohibiting corporations from pleading usury as a defense,' " in so far as it relates to associations.

The act approved the seventeenth day of May, one thousand nine hundred and twenty-nine (Pamphlet Laws, one thousand eight hundred two), entitled "An act providing that when all or a majority of the outstanding shares of the capital stock of any corporation, now or hereafter created under the laws of this Commonwealth, are owned by a corporation, created under the laws of any other State, the owner or owners of not less than one-fifth of the total number of the outstanding shares of the capital stock of such foreign corporation shall have the right to investigate and inquire into the affairs, management, and operations of such domestic corporation, and to institute, maintain and prosecute actions or proceedings against, or in behalf of, such domestic corporation, for any purpose, to the same extent, in the same manner, with the same force and effect, and with the same rights and remedies, as if he or they were the owner or owners of shares of the capital stock of such domestic corporation; and prescribing the conditions upon which a bond may be required in any such action or proceeding," in so far as it relates to associations.

The act approved the twentieth day of March, one thousand nine hundred and thirty-one (Pamphlet Laws, four), entitled "An act to amend section one of the act, approved the twenty-fourth day of June, one thousand eight hundred and ninety-five (Pamphlet Laws, two hundred fifty-eight), entitled 'An act relating to and regulating the issue and transfer of certificates of stock by companies incorporated under the laws of this Commonwealth,' as amended, by permitting the signatures, countersignatures, and seals thereon in facsimile printed or engraved, when the certificate is signed by a transfer agent or assistant transfer agent and registrar; and permitting the use of certificates bearing the signature or countersignature, or facsimile signature or countersignature, of any officer who has ceased to be such when the certificate is issued," in so far as it relates to associations.

The act approved the twenty-sixth day of March, one thousand nine hundred and thirty-one (Pamphlet Laws, ten), (Number eight), entitled "An act to amend subdivision three of section three of the act, approved the twenty-ninth day of April, one thousand eight hundred and seventy-four (Pamphlet Laws, seventy-three), entitled 'An act to provide for the incorporation and regu-

lation of certain corporations,' as amended, by regulating the advertising of application of charters for corporations of the first class," in so far as it relates to associations.

The act approved the twelfth day of June, one thousand nine hundred and thirty-one (Pamphlet Laws, five hundred four), (Number one hundred sixty-one), entitled "An act authorizing building and loan associations to permit borrowers to have the dues on the stock credited on account of the principal of the loan, and providing for the reduction of the stock in certain cases, and defining the duties of the secretary of the association in respect thereto, and providing also for the increase of the subsequent dues on the stock in certain cases, and providing further that the stock shall not be subject to losses, except for the profits, in certain cases," except in so far as it relates to the appropriation of shares to reduce mortgage loans which were granted by associations prior to the effective date of this act.

The act approved the twelfth day of June, one thousand nine hundred and thirty-one (Pamphlet Laws, five hundred sixty-one), entitled "An act to amend section twenty-three of an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved April twenty-ninth, one thousand eight hundred and seventy-four (Pamphlet Laws, seventy-three), as amended by an act, entitled 'An act to amend section twenty-three of an act, entitled "An act to provide for the incorporation and regulation of certain corporations," approved April twenty-ninth, one thousand eight hundred and seventy-four, as amended, by the fifth section of an act, entitled "A supplement to an act, approved April twenty-ninth, one thousand eight hundred and seventy-four, entitled 'An act to provide for the incorporation and regulation of certain corporations,' providing for the further regulation of such corporations and for the incorporation and regulation of certain additional corporations," approved April seventeenth, one thousand eight hundred and seventy-six; requiring the filing of all the reports required by the Auditor General of the Commonwealth, and the payment of all taxes due the Commonwealth of Pennsylvania, by certain corporations, up to and including the date of the proposed sale, assignment, disposition, and conveyance of the franchises and property of such corporation before the returns authorizing such sale, assignment, disposition, and conveyance shall be filed in the office of the Secretary of the Commonwealth,' approved June second, one thousand nine hundred and fifteen (Pamphlet Laws, seven hundred twenty-four); providing that in the case of the sale, assignment, disposition, or conveyance by certain building and loan associations of their franchises and property to certain other building and loan associations, in lieu of the advertisement

required by section nineteen of the act first mentioned, notice of the time, place and object of the meeting of stockholders, therein mentioned, shall be published, once a week for two weeks prior to such meeting, in at least one newspaper published in the county, city or borough wherein the place of business of the building and loan association, so selling, assigning, disposing or conveying, is situate," in so far as it relates to associations.

The act approved the twenty-eighth day of July, one thousand nine hundred thirty-two (Pamphlet Laws, eleven), entitled "An act to increase the powers of building and loan associations by empowering them to join the Federal Home Loan Bank or any other corporation or agency established under the authority of the United States Government, and to empower them to borrow money from the Federal Home Loan Bank, the Reconstruction Finance Corporation, or any other corporation or agency established under the authority of the United States Government, except National banks, and to assign their bonds and mortgages and other property, including the right to repledge the shares of stock pledged as collateral security without securing the consent of the owner thereto, as security for the repayment of their indebtedness as evidenced by any bond, note, or obligation they may give therefor," absolutely.

Section 1303. General Repeal of Acts.—All other acts or parts of acts inconsistent herewith are hereby repealed.

APPROVED—The 5th day of May, A. D. 1933.

GIFFORD PINCHOT

No. 109

AN ACT

To amend sections six, seventeen, and twenty-six of the act, approved the fourteenth day of June, one thousand nine hundred and twenty-three (Pamphlet Laws, seven hundred ten), entitled "An act allowing and regulating boxing, sparring, and wrestling matches and exhibitions; establishing a State Athletic Commission; making an appropriation therefor; and appropriating moneys received for monument and memorial purposes; and prescribing penalties," as amended, by extending the provisions of said act so as to include bookers, booking agents, representatives of booking agencies for services of wrestlers; modifying license fees in certain cases; exempting amateur boxing or wrestling in schools, colleges, and universities.

Section 1. Be it enacted, &c., That section six of the act, approved the fourteenth day of June, one thousand nine hundred and twenty-three (Pamphlet Laws, seven hundred ten), entitled "An act allowing and regulating boxing, sparring, and wrestling matches and exhibitions; establishing a State Athletic Commission; mak-

State Athletic
Commission.

Section 6, act
of June 14, 1923
(P. L. 710), as
amended by act
of April 29, 1929
(P. L. 860), fur-
ther amended.