

No. 35

AN ACT

Authorizing and regulating the issue and sale of preferred stock by banks and trust companies.

Section 1. Be it enacted, &c., That in addition to the powers conferred and notwithstanding any limitations imposed by existing law, any bank or trust company, incorporated under a general or a special act of Assembly, may, with the written consent of the Department of Banking and in the manner hereinafter provided in this act, issue preferred shares, upon such terms and conditions, in such amounts, and of such par value, not less than ten dollars per share, as shall be approved by the department.

Banks and trust companies.

Preferred shares.

Section 2. A bank or a trust company shall be authorized to issue preferred shares only by resolution of its board of directors, approved by the holders of a majority of its outstanding shares at any regular or special meeting called in the manner and after the notice required by law for such meeting of shareholders.

Authorization.

Section 3. A preferred share shall not be issued until the par value of such share has been paid in full to the bank or trust company.

Par value to be paid.

Section 4. The holders of such preferred shares shall be entitled to cumulative dividends at a rate not exceeding six per centum per annum. They shall be entitled to one vote for each such preferred share, unless the articles of association or by-laws expressly provide otherwise and such provision has been approved in writing by the Department of Banking. Upon liquidation by the Secretary of Banking, by liquidating trustees, or otherwise, of the business and property of any bank or trust company which has issued preferred shares pursuant to the provisions of this act, the holders of any other shares in such bank or trust company shall not be entitled to any payments in the distribution of its assets until the holders of such preferred shares have been paid in full the par value of their shares, plus all accumulated dividends thereon.

Cumulative dividends.

Voting power.

Priority in distribution of assets.

Section 5. Preferred shares, issued pursuant to the provisions of this act, may be redeemed and retired by the bank or trust company upon payment of the par value to the holders thereof, together with accumulated dividends, or upon the payment of any other amount specified or computed in the manner set forth in the share certificate representing such preferred shares, or in the articles of association or by-laws, and approved in writing by the department.

Redemption.

Section 6. The holders of preferred shares shall not be held individually responsible by reason of the ownership of such shares to pay any debts, contracts or engagements of the bank or trust company.

Liability.

Preemptive
rights.

Section 7. The shareholders of a bank or a trust company which issues preferred shares, pursuant to the provisions of this act, shall not have any preemptive right to purchase such preferred shares. The preferred shares may be sold at par, or in excess of par, in any manner which the bank or the trust company deems to its best interests and which the Department of Banking approves in writing.

Sale of
shares to
R. F. C.

Section 8. Preferred shares issued pursuant to the provisions of this act may be sold to the Reconstruction Finance Corporation upon such terms and in such manner as the Reconstruction Finance Corporation shall prescribe.

Constitutionality.

Section 9. If any part of this act shall be declared unconstitutional by any court, 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.

Suspension of
inconsistent
acts.

Section 10. The operation of any act, or part of any act, inconsistent herewith shall be suspended during the period this act shall continue to be effective.

When effective.

Section 11. This act shall become effective immediately upon its approval by the Governor, and shall continue to be effective until the thirty-first day of March, one thousand nine hundred thirty-five.

APPROVED—The 13th day of April, A. D. 1933.

GIFFORD PINCHOT

No. 36

AN ACT

To amend section one of the act, approved the twenty-first day of March, one thousand nine hundred and twenty-nine (Pamphlet Laws, thirty-seven), entitled "An act for the compensation by counties of persons detained as material witnesses in criminal prosecutions," reducing the compensation of detained witnesses.

Witnesses.

Act of
March 21, 1929
(P. L. 37),
amended.

Section 1. Be it enacted, &c., That section one of the act, approved the twenty-first day of March, one thousand nine hundred and twenty-nine (Pamphlet Laws, thirty-seven), entitled "An act for the compensation by counties of persons detained as material witnesses in criminal prosecutions," is hereby amended to read as follows:

Witnesses
detained in
prison.

Section 1. Be it enacted, &c., That whenever hereafter any person is detained in prison in connection with any criminal prosecution as a material witness, by order of the court or of any district attorney, or by commitment by any magistrate, alderman, or justice of the peace, such person shall be entitled to compensation at