

No. 22

AN ACT

To further amend subsection C of section 1009 and section 1408 of the act, approved the fifteenth day of May, one thousand nine hundred thirty-three (Pamphlet Laws 624), entitled, as amended, "An act relating to the business of banking, and to the exercise of fiduciary powers by corporations; providing for the organization of corporations with fiduciary powers, and of banking corporations, with or without fiduciary powers, including the conversion of National banks into State banks, and for the licensing of private bankers and employes' mutual banking associations; defining the rights, powers, duties, liabilities, and immunities of such corporations, of existent corporations authorized to engage in a banking business, with or without fiduciary powers, of private bankers and employes' mutual banking associations, and of the officers, directors, trustees, shareholders, attorneys, and other employes of all such corporations, employes' mutual banking associations or private bankers, or of affiliated corporations, associations, or persons; restricting the exercise of banking powers by any other corporation, association, or person, and of fiduciary powers by any other corporation; conferring powers and imposing duties upon the courts, prothonotaries, recorders of deeds, and certain State departments, commissions, and officers; imposing penalties; and repealing certain acts and parts of acts," by changing the limitations on the amount which may under certain circumstances be invested in title insurance companies and by making further provision concerning the effect of merger or consolidation of banking institutions.

"Banking Code."

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Subsection C of section 1009, act of May 15, 1933, P. L. 624, as last amended by act of June 21, 1947, P. L. 762, further amended.

Section 1. Subsection C of section 1009 of the act, approved the fifteenth day of May, one thousand nine hundred thirty-three (Pamphlet Laws 624), entitled, as amended, "An act relating to the business of banking, and to the exercise of fiduciary powers by corporations; providing for the organization of corporations with fiduciary powers, and of banking corporations, with or without fiduciary powers, including the conversion of National banks into State banks, and for the licensing of private bankers and employes' mutual banking associations; defining the rights, powers, duties, liabilities, and immunities of such corporations, of existent corporations authorized to engage in a banking business, with or without fiduciary powers, of private bankers and employes' mutual banking associations, and of the officers, directors, trustees, shareholders, attorneys, and other employes of all such corporations, employes' mutual banking associations or private bankers, or of affiliated corporations, associations, or persons; restricting the exercise of banking powers by any other corporation, association, or person, and of fiduciary powers by any other corporation; conferring powers and imposing duties upon the courts, prothonotaries, recorders of

deeds, and certain State departments, commissions, and officers; imposing penalties; and repealing certain acts and parts of acts," as last amended by the act, approved the twenty-first day of June, one thousand nine hundred forty-seven (Pamphlet Laws 762), is hereby further amended to read as follows:

Section 1009. Limitation upon Investing in Shares.—

* * * * *

C. Any bank and trust company may, in exchange or in consideration for such assets and property as comprised its title insurance business, take and hold the shares of any corporation, organized and existing under the laws of this Commonwealth, for the purpose of conducting a title insurance business, and in addition thereto purchase additional shares in the same [company] corporation: Provided, That the total amount invested in such corporation shall not exceed a sum equal to ten per centum of the capital and surplus of such bank and trust company, [but in no event in excess of] or twice the minimum amount of capital and paid in surplus required for the incorporation of such company under the laws of this Commonwealth, *whichever is the less, or, with the prior approval of the department, a larger sum not in excess of fifteen per centum of the capital and surplus of such bank and trust company*, and provided that such shares shall not, except with the written approval of the department, be entered upon its books at an amount greater than the amount at which the assets and property, which comprised its title insurance business, were theretofore entered upon its books, plus the amount paid for any additional shares acquired as herein permitted. Any bank and trust company may hold shares of such [company] corporation received by it as a dividend payable in shares of such [company] corporation.

Section 2. Section 1408 of the said act, as amended by the act, approved the twelfth day of April, one thousand nine hundred fifty-one (Pamphlet Laws 211), is hereby further amended to read as follows:

Section 1408. Effect of Merger or Consolidation.— Upon the merger or consolidation becoming effective, the several corporations, parties to the plan of merger or consolidation, shall be a single incorporated institution, which, in the case of a merger, shall be that incorporated institution designated in the plan of merger as the surviving incorporated institution, and, in the case of a consolidation, shall be the new incorporated institution provided for in the plan of consolidation.

Section 1408,
said act, as
amended by act
of April 12, 1951,
P. L. 211,
further
amended.

In the case of a merger, the surviving incorporated institution, and in the case of a consolidation, the new incorporated institution, shall be considered the same business and corporate entity as the several corporations parties to the plan of merger or consolidation, and the corporate existence of each of the several corporations, parties to the plan of merger or consolidation, shall be merged into and continued in the surviving incorporated institution in the case of a merger, and in the new incorporated institution in the case of a consolidation. The surviving or new institution, as the case may be, shall not thereby acquire authority to engage in any business or exercise any right which is forbidden to a bank, a bank and trust company, a trust company, or a savings bank, as the case may be, when originally incorporated under this act. The surviving or new incorporated institution shall be subject to all the restrictions, limitations, or duties imposed upon such incorporated institutions when originally incorporated under this act: *Provided, That no provision contained in this section or in any other section of this act shall be construed to forbid a surviving or new corporation, as the case may be, from engaging in any business or exercising any right which a corporation organized under the laws of this Commonwealth and a party to the plan of merger or consolidation could lawfully engage in or exercise immediately prior to the effective date of the merger or consolidation.* All the property, real, personal, and mixed, of each of the corporations, parties to the plan of merger or consolidation, and all debts or obligations due to any of them, including subscriptions to share 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 incorporated institution, as the case may be, without further act or deed. The surviving or new incorporated institution shall thenceforth be responsible for all the liabilities and obligations of each of the corporations so merged or consolidated; but the liabilities of the merging or consolidating corporations, or of their shareholders, directors, trustees, or officers, shall not be affected, nor shall the rights of the creditors thereof or of any persons dealing with such corporations, 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 corporations may be prosecuted to judgment as if such merger or consolidation had not taken place, or the surviving or new incorporated institution may be proceeded against or substituted in its place. In the case of a merger, the articles of incorporation of the

surviving incorporated institution 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 incorporated institutions formed under this act, shall be deemed to be the articles of incorporation of the new incorporated institution. The aggregate amount of the net assets of merging or consolidating banks, banks and trust companies, trust companies, or national banking associations, which was available for the payment of dividends immediately prior to such merger or consolidation, shall continue to be available for the payment of dividends by such surviving or new incorporated institution, except for any portion thereof which has been transferred to capital by the issuance of shares or otherwise, or to surplus or reserve.

The aggregate amount of the net assets of merging or consolidating savings banks, which was available for the payment of interest or dividends immediately prior to such merger or consolidation, shall continue to be available for the payment of interest or dividends by the surviving or new savings bank, except for any portion thereof which has been transferred to surplus, reserve, or the expense fund.

Section 3. This act shall become effective immediately upon its final enactment.

Act effective immediately.

APPROVED—The 22nd day of May, A. D. 1953.

JOHN S. FINE

No. 23

AN ACT

To amend the third paragraph of section two hundred twenty and to reenact and amend subsection C of section two hundred twenty-one of the act, approved the second day of May, one thousand nine hundred twenty-five (Pamphlet Laws 448), entitled "An act relating to fish; and amending, revising, consolidating, and changing the law relating to fish in the inland waters and the boundary lakes and boundary rivers of the Commonwealth," by exempting certain members of the armed forces from the payment of a fee to the Commonwealth for resident and non-resident fishing licenses.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

The Fish Law of 1925.