

CHAPTER MMCDLI.

AN ACT TO INCORPORATE "THE PHILADELPHIA BANK."

Whereas an association of citizens hath heretofore been formed in the city of Philadelphia, under the name and style of "The Philadelphia Bank," for the purpose of making loans to the merchants, traders, and other citizens of this commonwealth, upon moderate and reasonable terms. And whereas the operations of the said association are calculated to advance the interests of commerce and navigation, to encourage a spirit of improvement in agriculture, manufactures, arts, and sciences, and to aid the exertions of honest industry, and to repress the unlawful and pernicious practice of usury. And whereas the said association, on their application to the legislature for a charter (to place them on an equal footing with other citizens of the commonwealth, who are engaged in the same business) have made propositions which will be highly advantageous to the finances of this state: Therefore, with a view to embrace these objects to the commonwealth, and to facilitate the transactions of the affairs of the said association:

Section I. (Section I, P. L.) Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted by the authority of the same, That all and every the persons who shall, at the time of the passing of this act, be members of the said association, called "The Philadelphia Bank," and proprietors of the capital stock thereof, shall be, and they and their successors and assigns are hereby created and declared to be, one body politic and corporate, by the name, style and title of "The Philadelphia Bank," upon the conditions hereinafter specified, and by the same name shall so continue until the first day of May, in the year one thousand eight hundred and fourteen, and no longer, and shall be able to sue and be sued, implead and be impleaded, in all courts of

record or elsewhere, and to purchase, have and hold, receive, possess, enjoy and retain, to them and their successors, lands, tenements, hereditaments, rents, goods, chattels and effects, of whatsoever kind, nature or quality, to an amount not exceeding two millions of dollars, including the amount of the capital stock of the said company, except such as may be held in security or for payment of debt, and the same from time to time to sell, grant, demise, alien or dispose of, and also to make, to have and use a common seal, and the same to break, alter and renew at pleasure, and also to ordain, establish and put in execution, such by-laws, ordinances and regulations, as shall appear necessary and convenient for the government of the said corporation, not being contrary to the fundamental articles thereof, or to the constitution and laws of the United States or this state, and generally to do and execute all acts, matters and things, consistently with the provisions of this act, which a corporation or body politic in law may or can lawfully do and execute.

Section II. (Section II, P. L.) And be it further enacted by the authority aforesaid, That all the joint stock, and all other the bills, bonds, notes, or other securities, dues, claims and demands, and all the records, books, papers, vouchers, and other documents whatsoever, or in any wise belonging to, or held and claimed by the said association of citizens, at the time of passing of this act, shall be transferred to and vested in the said corporation of "The Philadelphia Bank," hereby created, as absolutely and completely, to all intents and purposes, as the same respectively shall then belong to, or be held and claimed by the said association of citizens, or by their officers and agents, for their use; and also all the bills, bonds, notes, contracts and other engagements, debts, obligations and assumptions whatsoever of the said association of citizens, entered into, made, issued, subsisting, due and payable, or to grow due and payable at the time of the passing of this act, shall thenceforth become and be as obligatory and binding upon the said incorporation of "The Philadelphia Bank," hereby created, to all intents and purposes, as if the same respectively had been entered into, made and

contracted by the said incorporation subsequent to the incorporation thereof: Provided always, nevertheless, that nothing herein contained shall, in any wise, be construed to impair the obligation of any contract at any time made or entered into by the said association of citizens.

Section III. (Section III, P. L.) And be it further enacted by the authority aforesaid, That the following shall constitute the fundamental articles of the said company of "The Philadelphia Bank," hereby created; that is to say.

Article 1. The capital stock of the Philadelphia Bank shall consist of a sum not exceeding two millions of dollars, in money of the United States, one million whereof shall be divided into shares of one hundred dollars each, to be held by the proprietors thereof at the time of the passing of this act.

Article 2. The affairs of the said Philadelphia Bank shall, for the present, be conducted by twenty-two directors, who shall be stockholders and citizens of this commonwealth, elected yearly and every year, six of whom shall be elected by the legislature of this commonwealth; that is to say, three by the senate, and three by the house of representatives; and if the state shall, at any time hereafter, subscribe four hundred thousand dollars, provided for in the fifth section of this act, in addition to three hundred thousand dollars previously subscribed for, then, and in that case, the state shall be entitled to two additional directors, who shall be elected in time and manner aforesaid, from and after which time the affairs of the bank shall be conducted by twenty-four directors; which election in either case aforesaid, shall be held during the first session of each general assembly, on such days as they shall respectively appoint in the respective houses of the legislature, and the remaining sixteen directors shall be elected by the stockholders residing within the United States (and none others shall be capable of holding stock in the Philadelphia Bank) at a general meeting to be annually held at the city of Philadelphia, on the second Monday of February, for that purpose; and the directors at their first meeting after each election shall choose one of their number as president, and nine of the directors, of whom the president shall always be one,

shall form a board or quorum for transacting all the business of the company; ordinary discounts may be done by the president, and any five of the directors; in case of his sickness or necessary absence, his place may be supplied by any other director whom he may, by writing under his hand, nominate for that purpose: Until the second Monday of February, which will be in the year one thousand eight hundred and five, or until their successors shall be duly elected, in pursuance of this act, George Clymer, John Welsh, John Gardiner, junior, Samuel Meeker, Elisha Kane, Jacob Sperry, Matthew Lawler, Louis D. Carpentier, William Guier, Joseph D. Drinker, John Bohlen, William Haslet, Jacob Shoemaker, Abraham M. Garrigues, Israel Israel, and Joseph Clark, shall be the directors of the said Philadelphia Bank, on behalf of the stockholders; if any director shall cease to be a stockholder, he shall cease to be a director, except those appointed by the legislature, who shall continue to act till their place be supplied at the next election. The number of votes to which each stockholder shall be entitled, shall be according to the number of shares he shall hold, in the proportions following, that is to say: For one share and not more than two shares, one vote for each share; for every two shares, above two, and not exceeding ten, one vote; for every four shares, above ten, and not exceeding thirty, one vote; for every six shares above thirty, and not exceeding sixty, one vote; for every eight shares above sixty, and not exceeding one hundred, one vote; but no person, copartnership or body politic shall be entitled, either in his own right or as a proxy, to a greater number than thirty votes, and no share or shares shall confer a right of suffrage which shall not be holden at least two calender months previously to the day of election; all stockholders may vote at elections or on any other question touching the bank, by proxy: Provided, the proxy be derived directly from such stockholders, be voted by a person being a citizen of this commonwealth, and be made in such form as the board of directors may appoint: Provided always, nevertheless, that in case it should at any time happen, that an election of directors should not be made upon any day, when in pursuance of this act it ought to have been made, the

said corporation shall not, for that cause, be deemed to be dissolved; but it shall be lawful, on any other day, within ten days thereafter, to hold and make an election of directors, in such manner as shall have been regulated by the by-laws and ordinances of the said corporation; and in case of a vacancy in the direction, by death, resignation or otherwise, the residue of the directors, for the time being, shall immediately elect a director to fill the said vacancy, until the next stated election of directors.

Art. 3. The board of directors of the Philadelphia Bank, for the time being, and every succeeding board, shall give public notice to the stockholders of the company, of the time and place of their meeting to choose directors in every year, at least fifteen days before such meeting, in two newspapers to be printed in the city of Philadelphia; and a fair and correct list of the stockholders shall be fixed up at least one month before any election of directors, in the common hall of the said bank; and each house of the legislature respectively shall be furnished with a list of the said stockholders, at least fifteen days previously to the time of their election of directors.

Art. 4. The board of directors shall have power to make, revise and alter, or annul, all such rules, by-laws and regulations for the government of the corporation, and that of their officers, servants and affairs, as they or a majority of them shall from time to time think expedient, not inconsistent with the laws and constitution of this state or of the United States, or of these articles of incorporation.

Art. 5. The said board of directors shall have power to appoint a cashier and all other officers, clerks and servants, necessary for executing the business of the said corporation, and take security for their good behavior, respectively, in such sum and sums as the by-laws of the corporation shall prescribe, and to establish the compensation to be paid to the president, and all the other officers and servants of the corporation, respectively, which together with all other necessary expenses, shall be defrayed out of the funds of the corporation.

Art. 6. No director shall be entitled to any emolument, unless the same shall have been allowed by the stockholders at a general meeting; the stockholders shall make such compensation to the president, for his extraordinary attendance at the bank, as shall appear to them reasonable.

Art. 7. A number of stockholders, not less than sixty, who together shall be proprietors of two hundred shares or upwards, shall have power at any time to call a general meeting of the stockholders, for purposes relative to the institution, so also shall a majority of the directors have like power for like purposes, giving, respectively, as the case may be, at least six weeks notice in two of the public newspapers printed in the city of Philadelphia, and specifying in such notice the object or objects of such meeting.

Art. 8. Every cashier or treasurer, before he enters upon the duties of his office, shall be required to give bond, with two or more sureties, to the satisfaction of the directors, in a sum not less than fifty thousand dollars, with condition for his good behavior, nor shall be allowed to carry on any other business than that of the bank, under the penalty of five thousand dollars.

Art. 9. No director of any other bank shall be at the same time a director of this bank, nor shall the governor, the secretary of the commonwealth, any officer in the treasury department, in the offices of accounts, or in the land office of this state, any member of congress, or any person holding or exercising any office of trust or profit under the United States, be a director of this bank.

Art. 10. The bills obligatory and of credit, under the seal of the said corporation, which shall be made to any person or persons, shall be assignable by indorsement thereupon, under the hand or hands of such person or persons, and of his, her or their assignee, or assignees, and so as absolutely to transfer, and vest the property thereof in each and every assignee, or assignees, successively, and to enable such assignee or assignees, to bring and maintain an action thereupon, in his, her, or their own names; and bills or notes which may be issued, by order of the said corporation, signed by the president and

countersigned by the principal cashier, or treasurer thereof, promising the payment of money to any person or persons, his, her or their order, or to the bearer, though not under the seal of the said corporation, shall be binding and obligatory upon the same, in the like manner, and with the like effect, as foreign bills of exchange now are, and those which are payable to the bearer, shall be negotiable and assignable by delivery only; and all notes or bills at any time discounted by the said corporation, shall be and they are hereby placed on the same footing as foreign bills of exchange; so that the like remedy shall be had for the recovery thereof, against the drawer and drawers, indorser and indorsers, and with like effect, except so far as relates to damages, any law, custom or usage to the contrary thereof in any wise notwithstanding.

Art. 11. The legislature shall be furnished annually at their first session, with statements of the amount of the capital stock of the said corporation, and of the debts due to the same, of the monies deposited therein, of the notes in circulation, and of the cash in hand, and shall have a right to inspect such general accounts in the books of the bank, as shall relate to the said statements: Provided, that this shall not be construed to imply a right of inspecting the account of any private individual or individuals, or any body politic or corporate with the bank.

Art. 12. The books, papers, correspondence and funds of the company, shall, at all times, be subject to the inspection of the directors; the directors shall keep fair and regular entries in a book to be provided for that purpose, of their proceedings; and on any question where two directors shall require it, the yeas and nays of the directors voting, shall be duly inserted on their minutes, and those minutes shall be at all times on demand produced to the stockholders, when at a general meeting, or to the legislature, or any committee thereof, who shall require the same.

Art. 13. The shares of capital stock, at any time owned by any individual stockholder, shall be transferable according to such rules, as conformably to law may be established in that behalf by the board of directors; but all debts actually due or

payable to the company (days of grace for payment being past) by a stockholder requesting a transfer, must be satisfied before such transfer shall be made, unless the board of directors shall direct to the contrary.

Art. 14. The lands, tenements and hereditaments, which it shall be lawful for the said corporation to hold, shall be only such as shall be requisite for its immediate accommodation, in relation to the convenient transacting of its business, and such as shall have been bona fide mortgaged to it, by way of security, or conveyed to it in satisfaction of debts previously contracted in the course of its dealings, or purchased at sales upon judgments which shall have been obtained for such debts; not more than fifty thousand dollars shall be expended in procuring ground, and erecting suitable buildings for the accommodation of the bank.

Art. 15. The said corporation may sell any part of the public debt of which it may be possessed, but shall not directly or indirectly, deal or trade in any kind of stock, except bills of exchange, gold or silver bullion, or in the sale of goods really and truly pledged for money lent, and not rendered in due time, or of goods which shall be the produce of its lands; it may invest its contingent funds in the public stocks of the United States, or any incorporated institutions in the United States; may lend money, but shall not take more than at the rate of half per centum per thirty days, for or upon its loans or discounts; and if the said corporation or any person or persons for, or to the use of the same, shall deal or trade in buying, or selling any goods, wares, merchandise or commodities whatsoever, contrary to the provisions of this act; all and every person or persons, who shall have been given any order or direction for so dealing or trading, and all and every person or persons, who shall have been concerned as parties, or agents therein, shall forfeit and lose treble the value of the goods, wares, merchandise and commodities in which such dealing and trade shall have been, one half thereof to the use of the informer, and the other half to the use of the state, to be recovered with costs of suit.

Art. 16. Dividends of the profits of the company, or of so much of the said profits as shall be deemed expedient and proper, shall be declared and paid half-yearly during the months of March and September, in every year, and shall be determined from time to time by a majority of the said directors, at a meeting to be held for that purpose, and shall in no case exceed the amount of the net profits actually acquired by the company; so that the capital stock of the company shall never be impaired by dividends; and at the expiration of every three years from the last Tuesday of September next, a dividend of surplus profits shall be made; but the directors shall be at liberty to retain at least one per centum upon the capital, as a fund for future contingencies.

Art. 17. If the said directors shall at any time wilfully and knowingly make or declare any dividend, which shall impair the said capital stock, all the directors present, at the making or declaring such dividend and consenting thereto, shall be liable in their individual capacities to the company for the amount of proportion of the said capital stock so divided by the directors; and each director, who shall be present at the making or declaring of such dividend, shall be deemed to have consented thereto, unless he shall immediately enter in writing his dissent, on the minutes of the proceedings of the board, and give public notice to the stockholders that such dividend has been declared.

Art. 18. The total amount of the debts which the said corporation shall at any time owe, whether by bond, loan, bill or note, or other contract, shall not exceed double their capital, unless the contracting of any greater debt shall have been previously authorized by a law of the state; in case of excess the directors under whose administration it shall happen, shall be liable for the same in their individual and private capacities; and an action of debt may in such case be brought against them, or any of them, or their heirs, executors or administrators, in any court of record in this state or the United States, by any creditor or creditors of the said corporation, and may be prosecuted to judgment and execution, any condition, covenant or agreement to the contrary notwithstanding; but this

shall not be construed to exempt the said corporation, or the lands, tenements, goods or chattels of the same from being also liable for and chargeable with the said excess; such of said directors, who may have dissented from the resolution or act, whereby the same was so contracted or created, may respectively exonerate themselves from being so liable, by forthwith giving notice of the fact, and of their absence or dissent, to the governor of the state, and to the stockholders at a general meeting, which they shall have power to call for that purpose.

Art. 19. The bills or notes of the said corporation, originally made payable, or which shall become payable on demand, shall be receivable in payments from the bank to the state of Pennsylvania.

Section IV. (Section IV, P. L.) And be it further enacted by the authority aforesaid, That this act and the corporation hereby created, shall continue in force until the first day of May in the year one thousand eight hundred and fourteen: Provided always, nevertheless, that the powers and obligations of the corporation shall in all respects continue, for the purpose of bringing the affairs thereof, which shall be depending on the said first day of May in the year one thousand eight hundred and fourteen, to a final settlement and termination.

Section V. (Section V, P. L.) And be it further enacted by the authority aforesaid, That in addition to the one million of dollars which has already been subscribed and paid into the Philadelphia Bank by the private stockholders of the said bank, six hundred thousand dollars of new stock shall be created, three thousand shares of which stock the governor of this commonwealth is hereby authorized to subscribe, and for which shares the said corporation shall receive in payment the sum of three hundred thousand dollars of six per centum stock of the United States, the property of this state, at par; and as soon as the sum of one hundred and thirty-five thousand dollars shall have been passed to the credit of the state, on the books of the institution, as a gratuity for this charter; which sum of one hundred and thirty-five thousand dollars aforesaid, shall be drawn out as the exigencies of the state

may require, by warrants drawn by the state treasurer for that purpose, the governor is hereby directed to transfer to the said Philadelphia Bank the said sum of three hundred thousand dollars of six per centum stock of the United States aforesaid; which stock so transferred shall become the sole property of the Philadelphia Bank, and the other three hundred thousand dollars of new stock created as aforesaid, shall be disposed of by the corporation, for the benefit of the institution.

Section VI. (Section VI, P. L.) And be it further enacted by the authority aforesaid, That whenever the legislature of the state may require it, the said bank shall loan to the commonwealth a sum not exceeding one hundred thousand dollars, at an interest not exceeding five per centum per annum, for any term not exceeding ten years. And further, the commonwealth shall have the right at the end of four years from the passing of this act, to subscribe two hundred thousand dollars to said bank, and to pay for the same at par; and, again, at the expiration of eight years from the passing of this act, to subscribe other two hundred thousand dollars to the said bank, and to pay for the same at par; which subscriptions of four hundred thousand dollars shall be for the sole use and benefit of the commonwealth: Provided always, nevertheless, that if the said Philadelphia Bank should fail, neglect or refuse faithfully to fulfill the payments required of the said bank in this act, according to the true intent and meaning thereof, then this act shall become null and void, and the state shall be released from her engagements on her part, as fully to all intents and purposes as if this act had never been passed; and the said bank shall re-transfer to the state the three hundred thousand dollars of six per centum as aforesaid.

Section VII. (Section VII, P. L.) And be it further enacted by the authority aforesaid, That if any person who shall be convicted of having, after the passing of this act, been concerned in printing, signing or passing any counterfeit note, or notes of the Philadelphia Bank, knowing them to be such, or altering any genuine note or notes of the said bank, shall be sentenced to undergo a confinement in the jail and penitentiary house of Philadelphia, for any time not less than four

nor more than fifteen years, and shall be kept, treated and dealt with in all things, as is prescribed by an act, entitled "An act to reform the penal laws of this state, passed April the fifth one thousand seven hundred and ninety."⁽¹⁾

Approved March 5, 1804. Recorded in L. B. No. 9, p. 435.

Note (1). Chapter 616; 13 Statutes at Large, p. 511. See also Chapter 2528 (Act January 8, 1805, P. L. 8), *infra* this volume, p. 885; Chapter 2654, (Act March 1, 1806, P. L. 382), 18 Statutes at Large; and Chapter 3042, (Act March 3, 1809,) 18 Statutes at Large.

CHAPTER MMCDLII.

AN ACT FOR THE RELIEF OF ROBERT HARRIS.

Whereas Robert Harris, a native of Scotland, in the kingdom of Great Britain, hath represented to the legislature, that having arrived in this state, with an intention of residing therein, in the month of June, anno domini one thousand eight hundred and two; that in the month of August following he purchased of James M'Cahrin a plantation of two hundred and seventeen acres of land, situated in Westnantmill township, in the county of Chester, bounded by lands of Charles Reed, David Denny, Samuel Byers, and others, for the sum of twelve hundred pounds; of which sum five hundred and seventy pounds was paid at the time he received his deed, and secured the payment of the residue to the said James M'Cahrin, and has been in possession of the premises since April last. And whereas it appears that the petitioner, at the time of his purchase, was unacquainted with the laws relative to aliens purchasing and holding lands within this commonwealth. And whereas it has been represented to the legislature, that the petitioner has made a bona fide purchase of the said lands and resides thereon, with an intention of becoming a citizen of the United States, according to laws enacted in that behalf: Therefore,

Section I. (Section I, P. L.) Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted