

When act to
take effect.

SEC. 9. This act shall take effect and be in force from and after its passage.

Approved March 22, 1889.

CHAPTER 99.

[H. F. No. 889.]

AN ACT TO AMEND SECTION ONE HUNDRED AND EIGHTY-THREE (183,) CHAPTER EIGHT (8), OF THE GENERAL STATUTES OF EIGHTEEN HUNDRED AND SEVENTY-EIGHT (1878), RELATING TO DUTIES OF REGISTER OF DEEDS.

Be it enacted by the Legislature of the State of Minnesota.

Register of
deeds.

SECTION 1. That section one hundred and eighty-three (183) of chapter eight (8) of the general statutes of eighteen hundred and seventy-eight (1878) be and the same is hereby amended by adding at the end of said section the following proviso. *Provided, however,* that nothing herein shall apply to or be applicable to the register of deeds of Ramsey County.

When act to
take effect.

SEC. 2. This act shall take effect and be in force from and after its passage.

Approved March 22, 1889.

CHAPTER 100.

[H. F. No. 719.]

AN ACT TO AMEND CHAPTER THIRTY-THREE (33) OF THE GENERAL STATUTES OF EIGHTEEN HUNDRED AND SEVENTY-EIGHT (1878), RELATING TO BANKS AND BANKING.

Be it enacted by the Legislature of the State of Minnesota:

Banks,
liquidation
procedure.

SECTION 1. That section eighteen (18) or chapter thirty-three (33), general statutes of eighteen hundred and seventy-eight (1878), be amended by adding thereto the following: "Any such association may go into liquidation and be closed by the vote of the shareholders owning two-thirds ($\frac{2}{3}$) of its stock, and whenever a vote to go into liquidation

ation is taken, the board of directors shall cause such fact to be certified under seal of the association by its president or cashier to the superintendent of banks, and shall cause notice to be published that the association is closing up its affairs and that all claims against it are to be presented for payment. Such publication shall be made for four (4) successive weeks in a newspaper published in the city or town in which the association is located, if there be such a newspaper, and if there be none, then in some newspaper published in the county in which the association is located. Every such association in liquidation shall on the first (1st) day of January and last day of June in each year report the progress of such liquidation to the superintendent of banks in such form as he may require, which reports shall be under oath or affirmation of the president, vice president or cashier of the association, and shall be attended by the signatures of at least two (2) of the directors; and any such association which may be in liquidation may be proceeded against by any creditors of the association in the same manner as if the same were not in liquidation. Whenever an association has failed to pay the current demands of its depositors, or is otherwise in a condition of insolvency, it shall not be lawful for such association or any of its directors, officers, clerks or agents to pay out any of its moneys, to receive deposits, to discount or purchase any notes or bills, or in any other way, directly, or indirectly, to prosecute the business of banking; but nothing herein shall forbid an association to receive and safely keep money and other property belonging to it."

SEC. 2. That section thirty-one (31) of chapter thirty-three (33), be amended by adding thereto the following:

All transfers and conversions of the property or credits of any association, and all acts which prevent the application of its assets to the payment of its lawful debts, shall be utterly void when made or done after an act of insolvency committed by such association, or in contemplation of insolvency and with the intent to defeat the pro rata distribution of the assets of the association, or with the intent to give any creditor preference over others. No attachment, injunction or execution shall be issued against an insolvent association or its property before final judgment in any suit, action or proceeding in any state, county or municipal court, and when such process shall have been issued it shall be immediately quashed or dissolved upon proof that the association was insolvent at the time of the issue thereof.

SEC. 3. The attorney general shall also upon demand of the superintendent of banks, institute proceedings for the dissolution of such corporation, the appointment of a receiver whenever the superintendent of banks shall report to him, after due examination, that any association organized under this act is insolvent, with a detailed statement of such examination showing such insolvency, and the super-

Transfers, etc.,
void, when

Attorney
general to
institute
proceedings
for dissolution.

intendent of banks may, in his discretion, pending the appointment of such receiver, take possession of the bank and its assets, and receive moneys due the bank, and shall schedule all such assets and keep an accurate record of all moneys paid to him, and may appoint an agent to do so in his stead, taking from such agent such bond and security as he may deem proper; and upon the appointment of a receiver the superintendent of banks shall turn over to such receiver all property and assets of such bank that may have come into his hands while in possession of such bank.

Provided, That the officers and directors of any bank that upon examination may be found insolvent, may make good any deficiency that may exist in the assets of the bank. Upon showing that such deficiency has been made good and the payment of any costs that may have been incurred, all proceedings shall be discontinued.

Officers and directors may make good deficiency.

Dividends, how declared.

SEC. 4. That section forty-seven (47) of said chapter thirty-three (33) may be amended by adding thereto the following:

The directors of any association may declare dividends out of its net earnings, or any portion thereof, but no dividend shall be made by any association while it continues its banking operations to an amount greater than its net profits then on hand, after deducting all losses and bad debts. Whenever a dividend is to be declared, the officers and accountants of the association, under the supervision of the board of directors, shall determine the net profits, and in so doing shall charge against its net profits all losses and bad debts. All debts due to any association on which interest is past due and unpaid for a period of twelve (12) months, unless the same are well secured or in process of collection, shall be considered bad debts within the meaning of this section. The directors shall enter in the minutes of their meeting a complete list of all debts on which the interest is past due and unpaid for a period of twelve (12) months or more, with a brief statement as to the value of each one and the character and value of security, if any.

When act to take effect.

SEC. 5. This act shall take effect and be in force from and after its passage.

Approved April 24, 1889.