

CHAPTER XXIII.

An Act to provide for the incorporation of Savings Associations. March 5 1867.

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

SECTION 1. Any number of persons not less than five may associate themselves and become incorporate as a savings association under this act, who shall, with their successors, constitute a body politic and corporate under the names assumed by them in their articles of association: *Provided*, No such association shall take a name previously assumed by any other such association. Incorporation

SEC. 2. They shall organize by adopting and signing articles of incorporation which shall be recorded in the office of the register of deeds in the county where the principal place of business is to be, and also in the office of the secretary of state in books kept for that purpose. Organization

Articles of In-
corporation

SEC. 3. Said articles shall contain: *First*—The name of the corporation, the general nature of its business and principal place of transacting the same. *Second*—The time of commencement and the period of continuance of said corporation. *Third*—The names and places of residence of the persons forming such association for such purpose and shall be published for four successive weeks in some newspaper printed and published at the capital of the state.

When incorpo-
rated

SEC. 4. When such articles are filed, recorded and published as aforesaid, the persons named as corporators therein and their successors become a body corporate and politic, and upon complying with the provisions of section nine of this act are authorized to proceed to carry into effect the object of their incorporation in accordance with the provisions of this act, and shall have perpetual succession, sue and be sued by its corporate name, have a common seal which it may alter at pleasure, establish by-laws and make all rules and regulations deemed expedient for the management of its affairs in accordance with law and not incompatible with an honest purpose.

Board of trustees

SEC. 5. The said corporators of every such association shall constitute a board of trustees by whom the business of said corporation shall be managed and directed. The said trustees shall select from their number a president, a vice president and such other officers as they may deem proper, and a majority of said trustees, of whom the president or vice president shall be one, shall form a quorum for the transaction of business, and the affirmative vote of at least a majority of the members of the board shall be required in making any order for or authorizing any investment of money, or the sale or transfer of any stock or securities or other property, real or personal, belonging to the corporation, or the appointment of any officer receiving any salary therefrom.

Vacancies—how
filled

SEC. 6. All vacancies by death, resignation or otherwise in the office of trustees, shall be filled by the board by ballot, without unnecessary delay, and at least a majority of the votes of the surviving trustees shall be necessary for the election of any trustees. The said trustees shall hold a regular meeting at least once in each month to receive the reports of their of-

fficers as to the business and affairs of the incorporation and to transact such business as may be necessary, and any trustee omitting to attend the regular meetings of the board for six months in succession, may thereupon, at the election of said board, be considered as having vacated his place, and a successor may be elected to fill the same. The district court of the judicial district wherein such association may have its principal place of business, may at any time, for due cause shown, remove any trustees on proper notice to such trustees, and affording him an opportunity to be heard in his defence.

SEC. 7. The general business and object of such corporation shall be to receive on deposit such sums of money as may from time to time be offered therefor by mariners, tradesmen, clerks, mechanics, laborers, minors, servants and others, and to invest the same for the use, interest, and advantage of the said depositors and their legal representatives as hereinafter prescribed by this act; and the said corporation shall receive on deposit all sums of money which may be offered for the purpose of being invested as aforesaid, which shall, as soon as practicable, be invested accordingly, and shall be repaid to such depositors when required, at such times, with such interest, and under such regulations as the board of trustees shall from time to time prescribe, which regulations shall be put in some public and conspicuous place in the room where the business of such corporation shall be transacted; but no by-law or regulation shall be adopted by said trustees whereby any sum amounting to one dollar or upwards shall be refused by such corporation, when offered as a deposit by any individual, and the regulations so adopted shall not be altered so as to affect any deposit previously made. No president, trustee or officer or servant of such corporation, shall directly or indirectly borrow the funds of such corporation, or its deposits, or in any manner use the same in their private affairs or business. All certificates or other evidences of deposit made by the proper officers of such corporation shall be as binding upon the corporation as if made under the common seal. It shall be the duty of the trustees of said corporation to regulate the rates of interest to be allowed the depos-

Objects of incorporation

itors; but said trustees shall receive no pay, salary, emolument or profit until after interest at the rate of six per cent. per annum shall have been allowed the depositors in accordance with the regulations of the institution.

Certain amount
to be invested

SEC. 8. At least half of the whole amount deposited shall be invested in the stocks or other securities of the United States, or loaned on improved unincumbered real estate situate within the state and worth at least double the amount to be secured over and above the value of any buildings erected thereon. The balance may be invested in the securities or stocks of this state, or of the United States, or loaned on the aforesaid securities, or upon approved personal security; but no loan shall be made upon the personal security of less than two responsible individuals.

Trustees to give
bonds

SEC. 9. Every trustee before entering upon his duties shall execute a bond to the state of Minnesota in the penal sum of five thousand dollars, with two or more sureties to be approved of by one of the judges of the supreme court, conditioned for the faithful discharge of his duties as trustee aforesaid. Said bond shall be recorded in the office of the register of deeds of the county in which the articles of incorporation are recorded, and also in the office of the secretary of state, and thereupon shall be delivered to, and remain in the custody of, the state auditor. In case of a breach of the conditions of said bond, any person or persons aggrieved thereby may institute a suit for damages in his or their own name upon the said bond; *Provided*, leave shall be first granted for that purpose by the judge of the court in which it is proposed to bring suit, and the judgment of the plaintiff in such action shall be for the amount of damages which he shows himself entitled to in consequence of such breach, and successive actions may be in like manner brought upon such bond by persons aggrieved by any breach of the condition thereof, until the amount of the penal sum specified in such bond shall be exhausted, and each of such trustees shall moreover be individually liable to the depositors in a sum equal to the amount of the penal bond required. The district court of the judicial district wherein such corporation may have its principal place of business, may upon good

cause shown in the case of any such corporation, at any time, increase the amount of the penal bond required of the trustees of such corporation, and the trustees of such corporation shall thereupon enter into new bonds in accordance with the order of the court, and said trustees thereafter shall be held individually liable to the depositors to the amount of the new bonds given in manner aforesaid; and no corporation under this act shall commence business until all of said corporators shall have given the bonds aforesaid. And in case any trustee elected to fill a vacancy is notified to give a new bond in the manner aforesaid, shall fail to give the bond required within twenty days after such election or notice, his place shall be considered vacant, and a new trustee elected in his stead. Such corporation shall be liable to the depositors for the amount of their deposits, with interest allowed in manner aforesaid. Any trustee may resign his office by written notice of his resignation, presented at a regular meeting of the board.

SEC. 10. Whenever in the unanimous opinion of the trustees of any such association their number should be increased beyond the original number of corporators, a certificate to this effect, signed by them all and stating the number of trustees to be added, shall be filed and recorded in the same manner as the original articles of incorporation, and thereupon new trustees may be elected by the old board to complete the number as increased and such new trustees before entering upon their duties shall give bonds as required by this act. New trustees

SEC. 11. The board of trustees shall have power from time to time to make, constitute, ordain and establish such by-laws, rules and regulations as they shall judge proper for the election of their officers, for prescribing their respective functions and the mode of discharging the same, for the regulation of the time of meeting of the officers and trustees, and generally for transacting, managing and discharging the affairs of the corporation: *Provided*, Such by-laws, rules and to the constitution or are not repugnant to this act, regulations laws of this state or of the United States. Powers of board

SEC. 12. The real estate which it shall be lawful for said corporation to purchase, hold and convey shall

Real Estate

be: First—Such as may be requisite for its immediate accommodation for the convenient transaction of its business. Second—Such as shall have been mortgaged to it in good faith for moneys loaned in pursuance of the provisions of this act. Third—Such as shall have been purchased at sale upon judgment or decree obtained or rendered for the money so loaned. And the said corporation shall not purchase, hold or convey real estate in any other case or for any other purpose; and the said corporation shall not directly or indirectly deal or trade in buying or selling any goods, wares or commodities whatever, except in the cases where it is authorized to do so by the terms of this act, and except such personal property as may be requisite for its immediate accommodation for the convenient transaction of its business.

Books to be opened

SEC. 13. The books of said corporation shall at all times during their hours of business be open for inspection and examination to the auditor of this state and such other persons as the legislature or state auditor shall designate or appoint as their agent for this purpose.

Deposits

SEC. 14. Whenever any deposit shall be made by any minor the trustees may, at their discretion, pay to such depositors such deposit, although no guardian shall have been appointed for such minor or the guardian of such minor shall not have authorized the drawing of the same, and the check, receipt or acquittance of such minor shall be as valid as if the same was executed by a guardian of such minor, or the said minor was of full age, if such deposit was made personally by said minor; and whenever any deposit shall have been made by married women the trustees may repay the same on the receipts of said depositors, and said receipts shall be a discharge as against third persons.

Trustees to report

SEC. 15. The board of trustees shall on or before the first day of December of each year, report to the state auditor the amount of deposits received during the twelve months preceding, the amount paid out to depositors in the same time and the amount of funds on hand and invested. This report shall present a clear exhibit of the affairs of the institution.

SEC. 16. The district court of the judicial district

wherein such association may have its principal place of business, may at any time, on the application of any trustee or depositor in such institution, and on reasonable cause shown therefor to the satisfaction of said court, appoint one or more persons to examine into the investments thereof and its affairs and business generally. The books, papers and business of said corporation shall be open and subject to the examination of such person or persons: The trustees, officers and clerks thereof, or any other persons, may be examined on oath by such person or persons, and the said court may confer such further powers on the person or persons so appointed as they may consider necessary for the more thorough and perfect examination of the affairs and business of said corporation. The said person or persons so appointed shall report the result of their investigation to said court and if satisfied thereby that any officer, trustee or servant of said corporation has been guilty of any fraud or misconduct, may remove said person or persons, and make further order and take such further measures for securing the funds and property of said corporation as the said court shall deem expedient.

District court
may investigate

SEC. 17. This act shall take effect from and after its passage.

Approved March 8, 1867.