

such other attorney as such board may designate, shall conduct the proceedings under this act on behalf of such board.

Attorney to conduct proceedings.

SEC. 19. The cost of maintaining such improvements as shall be made under this act shall be borne by the board of county commissioners of the county making such improvements, and such board shall have control and management of such improvements, and shall use and control the same for the best interests of the public. The title of all the property acquired and taken by virtue of the proceedings had under this act shall vest in the board of county commissioners of the county in which such proceedings are taken, upon payment being made therefor, as herein provided, and such title shall be in fee simple or such inferior estate as such board shall designate it intends to take and shall pay for and acquire by such proceedings.

County to pay for improvements and acquire title.

SEC. 20. This act shall take effect and be in force from and after its passage.

Approved April 2, 1897.

## CHAPTER 89.

S. F. No. 253.

*An act for the reorganization or adjustment of the affairs of insolvent corporations exercising banking powers.*

Reorganizing or adjusting insolvent banking corporations.

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

SECTION 1. Whenever any company or corporation exercising banking powers under the laws of this state has or shall have become insolvent, and has or shall have come under the control of any court of competent jurisdiction under an assignment for the benefit of its creditors, or the appointment of a receiver in proceedings to enforce any mortgage, deed of trust, or for the payment of debts, it shall be lawful for a majority in number and amount of the creditors of such company or corporation, exclusive of secured creditors, and of the preferred creditors hereinafter specified, by themselves or by a committee to be appointed by them, to prepare and submit to such court a plan for the re-adjustment of its affairs, or for the reorganization of such company or corporation; such plan shall provide,

Who may submit plan for adjustment or reorganization.

First—For the payments of debts due and owing to the United States and the state of Minnesota.

Provisions.

Second—For the payment of all debts for which a lien shall exist on the property thereof, under the laws of the state of Minnesota.

Third—For the payment of all debts owing to servants, laborers and clerks, for labor and services performed for such company or corporation within ninety (90) days next preceding the act of insolvency, or the commencement of such insolvency proceedings.

Fourth—For the payment upon equal terms of all other debts, including debts not due, and for the issue of new, or other or further securities, and for their distribution. Such plan shall so far as practicable, regard the relative rights and priorities of creditors and security holders.

Hearing by  
the court.

SEC. 2. Whenever any such plan as provided in the next preceding section shall be presented to and filed in such court it shall be the duty of said court to fix a time and place of hearing thereon, and to cause notice of such hearing to be served upon the assignee or receiver personally; and notice of such hearing shall be published for two weeks, or such other time as the court may deem proper, in some newspaper published in the county. A copy of the notice so published shall be served upon all creditors by mailing a copy thereof, in the manner now provided for serving notices by mail, at least fourteen (14) days prior to the date set for hearing. And if personal service cannot be made upon the assignee or receiver within the time fixed for the publication of the notice, such notice by publication shall be deemed sufficient as to such assignee or receiver. The filing of such plan shall be deemed a petition for the adjustment or reorganization of such corporation, upon the terms stated in said plan.

At the time fixed for such hearing any creditor may be heard in person, or by attorney, in opposition thereto.

When court  
may approve  
or modify  
plan and  
order its  
adoption.

Upon such hearing, if it appears that three-fourths in number and amount of the creditors, exclusive of secured creditors and of the preferred creditors, specified in section one of this act, assent thereto, and if no objections have been made, the court may in its discretion make an order approving said plan; if any objections are made, the court may in its discretion make such modification of such plan as it shall deem advisable, and thereupon make an order approving such plan as modified. And the court shall thereupon order and adjudge that the plan so approved shall be adopted, and shall make provision for the execution thereof, under the supervision of the superintendent of banks, and also for the continuance or discharge of the assignee

or receiver, and the winding up of such insolvency proceedings, and providing for the expense thereof.

SEC. 3. All creditors of such company or corporation, and others interested therein, not objecting to such plan of reorganization at the hearing hereinbefore provided for, shall be deemed to have assented thereto; and the court, in such order and judgment approving said plan, shall adjudicate and determine the validity and amount of any and all claims and demands of dissenting creditors or interested persons, and shall thereupon provide for the payment of the same at such future time and in such manner and amounts, installments as is provided in said plan as approved. *Providing*, that such dissenting creditors shall, by the terms of said order, be allowed to participate, *pro rata*, in the assets of such corporation, upon the same terms as the assenting creditors; and *provided, further*, that such order shall not require or impose any obligation upon such non-assenting creditors, but shall only operate as a stay of their remedy for the enforcement of their claims and demands, upon the same terms, and for the same periods, as provided in said plan as approved. And in aid of the execution of such plan the court may enjoin or stay the enforcement or collection of any and all claims, demands and obligations or disabilities of and against said company or corporation, except in accordance with the provisions of said plan, but not in such a manner as to impair the obligation of any contract.

Assent of  
creditors.

Claims of dis-  
senting  
creditors.

SEC. 4. The stockholders, being stockholders at the time the insolvency proceedings are commenced, of the corporation or company so organized, or the affairs of which shall be adjusted under the provisions of this act, together with the stockholders who have sold or transferred their stock within one (1) year prior to the suspension or insolvency of the corporation, shall remain liable as stockholders of said corporation for a period of one (1) year after the time fixed for the payment of the obligations of such corporation by such plan and order, notwithstanding any sale or transfer of their stock in the meantime.

Liability of  
stockholders.

SEC. 5. Where the property of any such company or corporation shall be partly within and without this state the plan of reorganization or adjustment may make provision for including the property without this state in conformity with the laws of the state where the same may be situated.

Property  
within and  
without the  
state.

SEC. 6. This act shall take effect and be in force from and after its passage.

Approved April 3, 1897.