

CHANGES

—IN THE—

General Statutes of 1878,

EFFECTED BY THE

GENERAL LAWS OF 1879 AND 1881,

Arranged with reference to the Chapter and Section Amended.

SAINT PAUL:
WEST PUBLISHING COMPANY.
1883.

SURVEYORS—THEIR POWERS, DUTIES, AND FEES.

§ 7. **General office of each district.** The surveyor general of the first district shall keep his office at the city of Stillwater; of the second district at the Falls of St. Anthony, and shall appoint a deputy who shall reside in the city of St. Cloud; of the third district at the city of Red Wing; of the fourth district at the city of Wabasha; of the fifth district at Duluth; and of the sixth district at the city of Winona. (*As amended 1868, c. 42, § 2; 1874, c. 81, § 1; and 1881, c. 64, § 2.*)

See page 334.

CHAPTER XXXIII.

BANKS AND BANKING.

§ 10. **Banks, where to be established—minimum capital.** Any association of persons, not less than three in number, may establish offices of discount, deposit, and circulation, and become incorporated upon the terms and conditions and subject to the liabilities prescribed in this chapter; but the aggregate of the capital stock of such association shall not be less than twenty-five thousand dollars, and no such association shall be organized in any town containing less than two hundred inhabitants. The minimum amount of capital stock named in this section shall be paid in cash before any association shall be authorized to commence business; and such payment shall be certified to the state auditor under oath by the president or cashier of the association. (*As amended 1881, c. 77, § 1.*)

See page 354.

§ 11. **Organization certificate—what to specify—filing and recording.** The persons uniting to form such an association shall, under their hands and seals, make an organization certificate, which shall specifically state:

First. The name assumed to distinguish the bank and to be used in all its dealings, which name shall not be that of any other bank in this state.

Second. The place where the business of discount and deposit is to be carried on.

Third. The amount of capital stock and the number of shares into which the same is to be divided.

Fourth. The names and places of residence of the shareholders, and the number of shares held by each of them.

Fifth. The period at which said bank shall commence and terminate.

The certificate of organization shall be acknowledged before the clerk of some court of record or notary public, and authenticated by the seal of such court or notary, and shall be recorded in the office of the register of deeds of the county where such bank may be established, and such certificate thus authenticated shall be transmitted to the state auditor, who shall carefully preserve the same on file in his office. Upon duly making and filing the organization certificate, the association shall become, as from the date of execution of the same, a body corporate, and as such and in the name designated in such certificate, it shall have power to make contracts, to sue and be sued, and shall have all other powers, privileges, and immunities incident to corporations, and applicable to the ends of such establishments, subject to the restrictions and provisions of this chapter. Whenever it appears to the state auditor that any association is lawfully entitled to commence the business of banking, he shall give to such association a certificate, under his hand and official seal, that such association has complied with all the provisions required to be complied with before commencing the business of banking, and that such association is authorized to commence such business, which certificate shall be *prima facie* evidence in all the courts of the state that such association is duly and legally organized as a corporation. But the state auditor may withhold from any association his certificate authorizing the commencement of business whenever he has reason to suppose that the shareholders have formed

the same for any other than the legitimate objects contemplated by this act. No association shall transact any business except such as is incidental and necessarily preliminary to its organization, until it has been authorized by the state auditor to commence the business of banking. The association shall cause the organization certificate, and the official authorization of the state auditor issued under this section, to be published in some newspaper partly or wholly printed in the city or county where the association is located, for at least four successive weeks next after the issuing thereof; or, if no newspaper is published in such city or county, then in some newspaper published at the capital of the state. (*As amended 1881, c. 77, § 2.*)

See page 354.

§ 18. **Capital stock and membership, how increased.** Any association organized under the provisions of this chapter, may, by its articles of association, provide for an increase of its capital from time to time, as may be deemed expedient, subject to the limitations of this chapter. But no increase of capital shall be valid until the whole amount of the increase proposed is paid [in] in cash, and such payment certified under oath by the president or cashier of such association to the state auditor, who shall give his certificate that the provisions of this section have been complied with, and specifying therein the amount of such increase of capital stock, with his approval thereof, and that it has been duly paid in as a part of the capital of such association. Any association formed under this chapter may, by the vote of the shareholders owning two-thirds of its capital stock, reduce its capital to any sum not below the amount required by this chapter to authorize the formation of associations; but no such reduction shall be made until the amount of the proposed reduction has been reported to the state auditor and his approval thereof in writing obtained, and no such reduction shall be construed as affecting the liability of shareholders for any debts of the association incurred prior to such reduction. (*As amended 1881, c. 77, § 3.*)

See page 356.

†§ 47. **Limit of liability to association.** The total liabilities to any association of any person, or of any company, corporation, or firm, for money borrowed, including, in the liabilities of a company or firm, the liabilities of the several members thereof, shall at no time exceed fifteen per cent. of the aggregate amount of the capital stock of such association actually paid in, and of the permanent surplus fund of such association. But the discount of bills of exchange, drawn in good faith against actually existing values, and the discount of commercial or business paper actually owned by the person negotiating the same, shall not be considered as money borrowed. (*Added 1881, c. 77, § 3.*)

†§ 48. **Shall not loan or discount on security of their own stock.** No association shall make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; and stock so purchased or acquired shall, within six months from the time of its purchase, be sold or disposed of at public or private sale. (*Id.* § 3.)

See page 361.

†§ 49. **Available funds to be kept on hand—immediate liabilities.** Each association organized under the provisions of this chapter shall at all times have on hand in available funds an amount equal at least to twenty per centum of all its immediate liabilities. One-half of this amount of available funds may consist of balances due to the association from good solvent banks, and one-half of such sum shall be held in reserve as cash on hand. Immediate liabilities shall include all deposits due to individuals, firms, or corporations, or to banks, and all items in the nature of claims payable on demand. In cash on hand, shall be counted specie, legal-tender notes, and all bills of solvent banks. Whenever the available funds of any association shall be below twenty per centum of its immediate liabilities, such association shall not increase its liabilities by making any new loans or discounts otherwise than by dis-

counting or purchasing bills of exchange payable at sight, nor make any dividends of its profits until the required proportion between its immediate liabilities and its available funds has been restored. (*Id.* § 3.)

See page 361.

SAVINGS BANKS.*

*§ 47. **Savings banks declared to be corporations—general powers.** All savings banks or institutions for savings now existing, or which may hereafter be organized under and by virtue of any law of this state, are hereby declared to be corporations possessed of the powers and functions of corporations generally, and as such shall have power:

1. To have perpetual succession by its corporate name.
2. To sue and be sued, complain and defend, in any court of law or equity.
3. To make and use a common seal, which may be affixed by making an impression directly on the paper; and alter the same at pleasure.
4. To appoint such officers, managers, and agents as the business of the corporation may require.
5. To make by-laws not inconsistent with the laws of this state, or of the United States, for the management of its property and the regulation of its affairs.
6. To contract and be contracted with.
7. To receive money on deposit, to invest the same, and further transact the business of a savings bank, as hereinafter provided.
8. To exercise any corporate powers necessary to the exercise of the powers above enumerated and given. (1879, c. 109, § 1.)

*§ 48. **Not less than seven associates to organize a savings bank.** Any number of persons, not less than seven, may associate themselves together for the purpose of organizing a savings bank in accordance with the provisions of this act, but the majority of such number of persons shall reside in the county where the proposed bank shall be located. (*Id.* § 2.)

*§ 49. **Certificate to be executed—contents.** Such persons, under their hands and seals, shall execute a certificate in which shall be set forth:

1. The name assumed to distinguish such association, and to be used in its dealings, which shall be in no material respect similar to the name of any other savings bank organized and doing business in this state.
2. The place where its business is to be transacted, designating the particular city, town or village, and, if in any city, the ward in such city.
3. The name, residence—if any in city, the street and number—occupation and post-office address of each member of such association.
4. A declaration that each member of such association will accept the responsibilities and faithfully discharge the duties of a trustee in such institution, when authorized according to the provisions of this act.

Trustee to execute bond. 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 by one of the judges of the district court of the district in which such savings bank may be situated, conditioned for the faithful discharge of his duties as trustee as aforesaid. Said bonds shall be recorded in the office of the register of deeds of the county in which said savings bank is situated, and then deposited in the office of the secretary of state, and in case of a breach of the conditions of such bond, any person aggrieved by such breach may, upon leave granted by the said judge of said district court, bring suit in his own name, and the judgment of plaintiff in such action shall be for the amount of damages he may show himself entitled to by reason of such breach, not exceeding the amount of said bond, and successive actions may be brought by persons aggrieved as aforesaid until the penalty of said bonds is exhausted. (*Id.* § 3.)

*§ 50. **Certificate to be executed in duplicate.** Such certificate shall be executed in

(*An act to conform all savings banks or institutions for savings to uniformity of powers, rights, and liabilities, and to provide for the organization of savings banks, for their supervision, and for the more efficient protection of depositors in such institutions. Approved March 11, 1879. Laws 1879, c. 109.)

duplicate and be acknowledged before an officer of this state authorized to take the acknowledgment of conveyances of real estate for record, and shall, within sixty days of such acknowledgment, be filed, one copy in the office of the register of deeds of the county wherein such savings bank is proposed to be located, and one copy in the office of the auditor of state. (*Id.* § 4.)

*§ 51. **Notice of intention to organize to be published—contents.** A notice of intention to organize such savings banks shall be published at least once a week for four weeks previous to filing the certificate of association, as provided in the last preceding section, in at least one newspaper of the largest circulation published in the city, town, or village where such savings bank is proposed to be located, or, if there be no newspaper published in such village or town, then in some newspaper published in such county; if none in said county, then in an adjoining county; which notice shall specify the names of the proposed corporators, the name of the proposed savings bank and the location of the same, as set forth in the certificate of association; and if there is any savings bank or banks organized and doing business in such county, a copy of such notice shall also be sent to each such savings bank so organized and doing business, at least fifteen days before the filing of such certificate of association, as provided for in the last preceding section. (*Id.* § 5.)

*§ 52. **Indorsement of certificate.** Upon the receipt of any such certificate of association, at the office of the auditor of state, if the same is in due form and duly executed according to the provisions of sections three and four of this act, and is accompanied by evidence satisfactory to the auditor of state of the proper publication and service, in good faith, of the notice required in the last preceding section, he shall forthwith indorse the same over his official signature "filed for examination," with the date of such indorsement. (*Id.* § 6.)

*§ 53. **Proceedings, when certificate is irregular.** If such certificate shall not be in form and substance as required by section three of this act, or shall not be duly and properly acknowledged, as required by section four of this act, or shall not be accompanied by evidence, satisfactory to the auditor of state, of the publication and service, in good faith, according to the intent and purpose of this act, of the notice required by section five of this act, the auditor of state shall refuse to file such certificate until the same shall be amended in conformity to the provisions of this act; and it shall be the duty of the auditor of state, upon filing such certificate, to forthwith notify the attorney general and public examiner of the state of the filing of such certificate, and of a meeting to be held in said auditor's office, at some time within twenty days thereafter, and it shall be the duty of said auditor, attorney general, and public examiner to meet at the time and place in said notice set forth, to consider said certificate. (*Id.* § 7.)

*§ 54. **Duty of officers in regard to certificate.** And it shall be the duty of said officers, and they, or a majority of them, shall have power, in regard to any certificate of association so filed, to ascertain from the best sources of information at their command:

1. Whether greater convenience of access to a savings bank will be afforded to any considerable number of depositors by opening a savings bank at the place designated in such certificate.

2. Whether the density of population, in the neighborhood designated for such savings bank, and in the surrounding country, affords a reasonable promise of adequate support to the enterprise.

3. Whether the responsibility, character, and general fitness for the discharge of the duties appertaining to such a trust, of the persons named in such certificate, are such as to command the confidence of the community in which such savings bank is proposed to be located. (*Id.* § 8.)

*§ 55. **When certificate of authorization shall be issued.** If the said officers, or a majority of them, shall be satisfied, from their knowledge, or from information gained, concerning the several points named in the last preceding section, (that the organization of a savings bank, as proposed in such certificate, will be a public benefit,) they shall, within sixty days after the same has been filed by them for examination, issue, under their hands and official seals, a certificate of authorization to the persons named in such certificate, or to them, or to a portion of them, together with such

other persons as a majority of those named in such certificate of association shall in writing approve; which such certificate, so issued, shall authorize the persons named thereon to open an office for the deposit of savings as designated in the certificate of association, subject to the provisions of this act: *provided*, however, that no person shall be named in such certificate of authorization who shall not have duly made and acknowledged the declaration prescribed in subdivision four of section three of this act. (*Id.* § 9.)

*§ 56. **Certificate to be filed by register of deeds.** The public examiner shall transmit such certificate of authorization to the register of deeds of the county in which the savings bank so authorized is to be located, who shall file the same and attach it to the certificate of association previously filed, relating to the organization of such savings bank, and the public examiner shall also file a duplicate copy of such certificate in his own office. (*Id.* § 10.)

*§ 57. **Notice to register of deeds of refusal to issue such certificate.** If the said officers shall not be satisfied that the establishment of a savings bank, as proposed in any certificate of association filed, is expedient and desirable, the public examiner shall, within sixty days after the filing of such certificate by him, give notice to the register of deeds of the county in which such savings bank is proposed to be located that they refuse to issue a certificate of authorization for such savings bank, which notice shall forthwith be filed by the register of deeds with the certificate of association of such savings bank. (*Id.* § 11.)

*§ 58. **Persons named to constitute a body corporate.** Upon the filing of any certificate of authorization of a savings bank, as hereinbefore provided, the persons named therein, and their successors, shall thereupon and thereby be duly and lawfully constituted a body corporate and politic, and shall be vested with all the powers and charged with all the liabilities conferred and imposed by this act. (*Id.* § 12.)

*§ 59. **Duty of corporation before receiving deposits.** Before any savings bank so incorporated shall be authorized to receive deposits, such corporation shall transmit to the public examiner the name, residence, and post-office address of each of the officers of such savings bank, and the place where its business is to be carried on, designating the same by street and number when practicable. (*Id.* § 13.)

*§ 60. **Shall commence business within one year.** Any savings bank so incorporated that shall not organize and commence business within one year after the certificate of authorization of the same has been filed, as hereinbefore provided, shall forfeit its rights and privileges as a corporation under this act; but the public examiner may, for satisfactory cause to him shown, extend the term within which such organization may be effected, and such business commenced, but not for a longer period than one year; and the order, so extending such term, shall be under his hand and seal, and shall be transmitted to the register of deeds of the county in which such savings bank is to be located, who shall file the same, together with the certificate of association and the certificate of authorization of such savings bank. (*Id.* § 14.)

*§ 61. **The first trustees.** The persons named in the certificate of authorization issued pursuant to the provisions of this act, shall be the first trustees of such corporation, and shall have the entire management and control of all the affairs of the corporation, subject to the provisions of this act. (*Id.* § 15.)

*§ 62. **Trustees to elect president and other officers.** The business of every such corporation shall be managed and directed by a board of trustees, of not less than seven, who shall elect from their number a president, a vice-president, a treasurer, and such other officers as they may see fit; and all vacancies in such board by death, resignation, or otherwise, shall be filled by the board of trustees as soon as practicable, at a regular meeting after such vacancy shall occur. (*Id.* § 16.)

*§ 63. **Trustees shall have power to make by-laws.** The board of trustees of any such corporation shall have power from time to time to make such by-laws, rules, and regulations as they may think proper for the election of officers, for prescribing their respective powers and duties, and the manner of discharging the same; for the appointment and duties of committees, and generally for transacting, managing, and directing the affairs of the corporation: *provided*, such by-laws, rules, and regulations are not repugnant to, nor inconsistent with, the provisions of this act, to the constitution and laws of this state or of the United States, and a copy of the

same shall be transmitted to the public examiner, who shall also be notified of any amendment or change therein. (*Id.* § 17.)

*§ 64. **Regular meetings.** Regular meetings of the board of trustees shall be held as often as once in each month, for the purpose of receiving the reports of its officers and committees, and for the transaction of other business. A quorum at any regular, special, or adjourned meeting, shall consist of not less than five trustees, of whom the president shall be one, except where he is prevented from attending any meeting by unavoidable detention, when he may be represented in forming a quorum by the vice-president; but less than a quorum shall have power to adjourn from time to time, or until the next regular meeting. (*Id.* § 18.)

*§ 65. **Office of trustee to become vacant—when, etc.**—Whenever a trustee of any savings bank shall hereafter become a trustee, officer, clerk, or employe in any other savings bank, or upon his borrowing, directly or indirectly, any of the funds of the savings bank of which he is a trustee, or becoming a surety or guarantor for any money borrowed of, or of a loan made by, such savings bank, or upon his failure to attend the regular meetings of the board, or to perform any of the duties devolved upon him as such trustee for six successive months, without having been previously excused by the board for such failure, the office of such trustee shall thereupon immediately become vacant; but the trustee vacating his office by failure to attend meetings, or to discharge his duties, may, in the discretion of the board, be eligible to a re-election. (*Id.* § 19.)

*§ 66. **Trustees may require security of officers.** The trustees of any such corporation shall have the power to require from the officers, clerks, and agents of the corporation such security for their fidelity and the faithful performance of their duty as they shall deem necessary, and to fix the salaries of such officers and agents, subject to the provisions of this act. (*Id.* § 20.)

*§ 67. **Trustee not to be interested in profits.** No trustee of any such corporation shall have any interest whatever, direct or indirect, in the gains or profits thereof, nor as such, directly or indirectly, receive any pay or emolument for his services, except as hereinafter provided; and no trustee or officer of any such corporation shall, directly or indirectly, for himself, or as the agent or partner of others, borrow any of its funds or deposits, or in any manner use the same, except to make such current and necessary payments as are authorized by the board of trustees; nor shall any trustee or officer of such corporation hereafter become an indorser or surety, or become in any manner an obligor for moneys loaned by or borrowed of such corporation. (*Id.* § 21.)

*§ 68. **Bank may receive money on deposit, etc.** It shall be lawful for any savings bank to receive on deposit any sum or sums of money that may be offered for that purpose, by any person or persons, or by any corporations or societies, and to invest the same, and declare credit, and pay dividends thereon, as hereinafter authorized and provided, and not otherwise. (*Id.* § 22.)

*§ 69. **Deposits, etc., to be repaid under regulations prescribed by trustees.** The sums so deposited, together with any dividends or interest credited thereto, shall be repaid to such depositors respectively, or to their legal representatives, after demand, in such manner and at such times, and after such previous notice, and under such regulations as the board of trustees shall prescribe, which regulations shall be put in some conspicuous place in the room where the business of such corporation shall be transacted, and shall be printed in the pass-books, or other evidence of deposit furnished by the corporation, and shall be evidence, between the corporation and the depositors holding the same, of the terms upon which the deposits therein acknowledged are made: *provided*, that every such corporation shall have the right to limit the aggregate amount which any one person or society may deposit to such sum as they may deem expedient to receive, and may, in their discretion, refuse to receive a deposit, and may also, at any time, return all or any part of any deposit; but no by-law or regulation shall be adopted by said trustees so as to affect a deposit previously made. (*Id.* § 23.)

*§ 70. **Deposits made in the name of a minor, or female.** Whenever any deposit shall be made by or in the name of any person being a minor, or a female being or thereafter becoming a married woman, the same shall be held for the exclusive right and

benefit of such depositor, and free from the control or lien of all persons whatsoever, except creditors, and shall be paid, together with the dividends or interest thereon, to the person in whose name the deposit shall have been made, and the receipt or acquittance of such minor or female shall be a valid and sufficient release and discharge for such deposit, or any part thereof, to the corporation. And whenever any deposit shall be made by any person in trust for another, and no other or further notice of the existence and terms of a legal and valid trust shall have been given in writing to the bank, in the event of the death of the trustee, the same, or any part thereof, together with the dividends or interest thereon, may be paid to the person for whom the said deposit was made. (*Id.* § 24.)

*§ 71. **Proceedings in court—wife may testify.** In all actions in any court of this state against any savings bank by a husband to recover for moneys deposited by his wife in her own name, or as her own money, the wife may be examined and testify as a witness in like manner as if she were an unmarried woman. And in all actions against any savings bank to recover for moneys on deposit therewith, if there be any person or persons, whether husband or wife, or otherwise, claiming the same fund, who are not parties to the action, the court in which such action is pending, may, on the petition of such savings bank, and upon eight days' notice to the plaintiffs and such claimants, make an order amending the proceedings in said action, by making such claimants parties defendant thereto; and the said court shall thereupon proceed to hear and determine the rights and interests of the several parties to the said action in and to said funds. The said funds or deposits which are the subject of the said action, may remain with such savings bank upon the same interest as other deposits of like amount, to the credit of the action, until final judgment therein, and the same shall be paid by such savings bank in accordance with the order of the court; or the deposit in controversy may be put into court to await the final determination of the action, and when so paid into court, the corporation shall be stricken out as the party to such action; and the statutes limiting the time within which actions shall be commenced, shall have no application to actions brought by depositors, their representatives, or assigns, against savings banks for deposits made therein. (*Id.* § 25.)

*§ 72, subs. 2, 3, 4. See 1883 Sup. l. pp. 46, 46.

*§ 72. **Investments.** It shall be lawful for the trustees of any savings bank to invest the moneys deposited therein, only as follows, to-wit:

1. In the stocks, or bonds, or interest-bearing notes or obligations of the United States, or those for which the faith of the United States is pledged for the payment of the interest and principal.

2. In the stocks or bonds of any state in the Union that has not, within ten years previous to making such investment by such corporation, defaulted in the payment of any part of either principal or interest of any debt authorized by any legislature of such state to be contracted, and of the state of Minnesota issued since one thousand eight hundred and sixty.

3. In the stocks or bonds of any city, county, town, village, or school district of the states of Minnesota, Wisconsin, and Iowa, issued pursuant to the authority of any law of said states, or in any interest-bearing obligation issued by the city or county in which such bank shall be situated.

4. In notes secured by mortgage on unincumbered real estate situate in the states of Minnesota, Wisconsin, and Iowa, and worth at least twice the amount loaned thereon, but not to exceed seventy per cent. of the whole amount of the moneys of the bank shall be so loaned or invested, but in case the loan is on unimproved or unproductive real estate, the amount loaned thereon shall not be more than thirty per cent. of its actual value; and no investment in any bond and mortgage shall be made by any savings bank, except upon the report of a committee charged with the duty of investigating the same, and who shall certify to the value of the premises mortgaged, or to be mortgaged, according to their best judgment, and such report shall be filed and preserved among the records of the institution.

5. If the money held by any such corporation cannot be conveniently invested in any or all of the modes hereinbefore prescribed, it may loan not exceeding one-fourth part of the amount thereof on personal securities, with at least two sureties:

provided, that such loans shall not be for a longer time than one year: *provided*, *further*, that no loan upon personal security shall be made by any one person, copartnership, association, or corporation, to an amount exceeding five thousand dollars. (*Id.* § 26.)

*§ 73. **May hold real estate for certain purposes.** It shall be lawful for any such corporation to purchase, hold, or convey real estate only as follows:

First. A plot whereon is erected, or may be erected, a building or buildings requisite for the convenient transaction of its business, and from portions of which, not required for its own use, a revenue may be derived. The cost of such building or buildings and lot in no case to exceed fifty per cent. of the net surplus of such corporation.

Second. Such as shall have been purchased by it at sales upon the foreclosure of mortgages owned by such corporation, or upon judgment or decrees obtained or rendered for debts due to it, or in settlements effected to secure such debts, and all such real estate mentioned in the last preceding clause, shall be sold by such corporation within five years after the same shall be vested in it, unless upon application by the board of trustees the public examiner shall extend the time within which such sale shall be made; and it shall be lawful for any such corporation, with the approval in writing, and under the seal of the public examiner, to change its location within the limits of any city or town wherein it may be established; and in effecting such change of location such corporation owning a banking house and lot may purchase such additional plot under the provisions of subdivision one of this section as the corporation may require; and such banking house and lot previously owned and occupied shall be sold as provided in subdivision two of this section concerning real estate acquired in satisfaction of debts. (*Id.* § 27.)

*§ 74. **Trustees to invest money deposited, etc.** It shall be the duty of the trustees of any such corporation, as soon as practicable, to invest the moneys deposited with them in the securities named in the twenty-sixth section of this act, except that for the purpose of meeting current payments and expenses in excess of the receipts, there may be kept an available fund of not exceeding ten per cent. of the whole amount of deposits with such corporation, and the same may be kept on hand or on deposit in any bank or banking association in the state of Minnesota, organized under any law or laws of the state or of the United States, or with any trust company incorporated by any law of this state; but the sum so deposited in any one bank or trust company shall not exceed ten per cent of the paid-up capital and surplus of such bank or trust company; or such available fund, or any part thereof, may be loaned upon pledge of the securities, or any of them, named in subdivisions one, two, three, four, and five, of section twenty-six, but not in excess of ninety per cent. of the cash market value of such securities so pledged, nor in excess of the par value thereof; and should any of the securities so held in pledge depreciate in value after making any loan thereon, it shall be the duty of the trustees to require the immediate payment of such loan, or of a part thereof, or additional security therefor, so that the amount loaned shall at no time exceed ninety per cent. of the market value of the securities pledged for the same. (*Id.* § 28.)

*§ 75. **Temporary deposits in banks or trust companies.** It shall further be lawful for any such corporation to deposit temporarily in banks or trust companies, as provided in the last preceding section of this act, the excess of current daily receipts over the payments until such time as the same can be judiciously invested in the securities named in section twenty-six of this act; and whenever it shall appear to the public examiner that the trustees of any such corporation are violating the spirit and intent of the foregoing provision, by keeping permanently uninvested all or an undue proportion of the moneys received by them, it shall be his duty to report the facts to the attorney general, who shall proceed against such corporation under the provisions of section forty-three of this act. (*Id.* § 29.)

*§ 76. **Buildings to be insured by mortgagor.** Whenever buildings are included in the valuation of any real estate, upon which a loan shall be made by any such corporation, they shall be insured by the mortgagor in such company or companies as the trustees shall direct, and the policy of insurance shall be duly assigned or the loss made payable as its interests may appear to such corporation; and it shall be

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lawful for such corporation to renew such policy of insurance in the same or in any other company or companies, as they may elect, from year to year, or for a longer or shorter term, in case the mortgagor shall neglect to do so, and may charge the amount paid to the mortgagor. And all the necessary charges and expenses paid by such corporation for such renewal or renewals shall be paid by such mortgagor to such corporation, and shall be a lien upon the property so mortgaged, recoverable, with interest from the time of payment, as part of the moneys secured to be paid by such mortgagor. (*Id.* § 30.)

*§ 77. **Shall not trade in real estate, etc.** It shall be unlawful for any savings bank, directly or indirectly, to deal or trade in real estate in any other case or for any other purpose than as authorized in section twenty-seven of this act, or to deal or trade in dry goods, wares, merchandise, or commodities whatever, except as authorized by the terms of this act, and except such personal property as may be necessary in the transaction of its business; and it shall be unlawful for any savings bank; or for any officer in his regular attendance upon the business of such bank, to in any manner engage in the business in such bank, or [of] buying or selling exchange, or in the business of collecting or protesting promissory notes or time-bills of exchange. (*Id.* § 31.)

*§ 78. **Interest or dividends on deposits to be regulated, etc.** It shall be the duty of the trustees of every such corporation to regulate the rate of interest or dividends upon the deposits therewith in such manner that depositors shall receive, as nearly as may be, all the profits of such corporation after deducting necessary expenses and reserving such amount as the trustees may deem expedient as a surplus fund for the security of depositors, which, to the amount of ten per cent. of their deposits, the trustees of any such corporation are hereby authorized gradually to accumulate and hold to meet any contingency or loss in its business from the depreciation of its securities or otherwise: *provided*, however, that the trustees of any such corporation may classify their depositors according to the character, amount, and duration of their dealings with the corporation, and regulate the interest or dividends allowed in such manner that each depositor shall receive the same ratable proportion of interest or dividends as all others of his class. It shall be unlawful for the trustees of any savings bank to declare or allow interest on any deposit for a longer period than the same has been deposited, except that deposits made not later than the third day of any month, or withdrawn on one of the last three days of the month, may have interest declared upon them for the whole period or month when so deposited or withdrawn. No dividends or interest shall be declared, credited, or paid except by the authority of a vote of the board of trustees, duly entered upon their minutes, whereon shall be recorded the ayes and nays upon each vote; and whenever any dividends or interest shall be declared and credited in excess of the interest or deposits earned and appearing to the credit of the corporation, the trustees voting for such dividend shall be jointly and severally liable to the corporation for the amount of such excess so declared and credited.

And it shall be the duty of the trustees of any such corporation, whose surplus amounts to ten per cent. of its deposits, at least once in three years, to divide equitably the accumulation beyond such authorized surplus, as an extra dividend to depositors in excess of the regular dividends hereinbefore authorized. (*Id.* § 32.)

*§ 78a. **Rate of interest to be paid depositors.** Savings banks and savings associations shall not be required, in any case, to pay their depositors a greater rate of interest than four per cent. per annum, in accordance with their regulations. (1881, c. 119, § 1.)*

*§ 79. **Determination of per cent. of surplus.** In determining the per cent. of surplus held by any savings bank, its interest-paying stocks, notes, and bonds shall be estimated at their market value; its notes and bonds on which there are no arrears of interest for a longer period than six months shall be estimated at their face, and its real estate at not above cost. Concerning such stocks as bonds or notes, or notes and mortgages, as are in arrears of interest for six months or more, and concerning all other investments not herein enumerated, the public examiner shall determine the valuation of the same, from time to time, from the best information he can

(*An act relating to savings banks. Approved February 15, 1881.)

obtain, and he may change the valuation thereof, from time to time, according as he may obtain other and further information. (1879, c. 109, § 33.)

*§ 80. **Compensation of trustees acting as officers.** It shall be lawful for trustees of such corporation, acting as officers of the same, whose duties require and receive their regular and faithful attendance at the institution, to receive such compensation as in the opinion of a majority of the board of trustees shall be just and reasonable; but such majority shall be exclusive of any trustee to whom such compensation shall be voted. (*Id.* § 34.)

*§ 81. **Reports to be made, when.** Every such corporation shall semi-annually, on or before the first day of February in each year, make a report in writing to the public examiner, and in such form as he shall prescribe, of its condition on the morning of the first day of January preceding. (*Id.* § 35.)

*§ 82. **What shall be stated in such reports.** Such report shall state the amount loaned upon note and mortgage, together with a list of such notes and mortgages, and the location of the mortgaged premises as have not previously been reported, and also a list of such previously reported as have since been paid wholly or in part, or have been foreclosed, and the amount of such payments respectively; the cost, par value, estimated market value of all stock investments, designating each particular kind of stock; the amount loaned upon the pledge of securities, with a statement of the securities held as collateral for such loans; also a list of all notes, with the names of the drawers and indorsers, the dates when said notes were made, the length of time they have to run, the amounts for which they are drawn, and the rates of interest they bear, or at which they were discounted; also specifying all notes overdue and unpaid; the amount invested in real estate, giving the cost of the same; the amount of cash on hand and on deposit in banks or trust companies, and the amount deposited in each, and such other information as the public examiner may require. (*Id.* § 36.)

*§ 83. **Report to state also liabilities.** Such report shall also state all the liabilities of such savings corporations on the morning of the said first day of January, the amount due to depositors, which shall include any dividend to be credited to them for the six months ending on that day, and any other debts or claims against such corporation, which are or may be a charge upon its assets. Such report shall also state the amount deposited during the year previous, and the amount withdrawn during the same period; the whole amount of interest or profits received or earned, and the amount of dividends credited to depositors, together with the amount of each semi-annual credit of interest, and the amount of interest that may have been credited at other than semi-annual periods; the number of accounts opened or reopened, the number of accounts closed during the year, and the number of open accounts at the end of the year, and such other information as may be required by the state examiner. (*Id.* § 37.)

*§ 84. **Report, how verified.** Such report shall be verified by the oath of the two principal officers of the institution, and the statement of assets shall be verified by the oath of a majority of the trustees who examined the same pursuant to the requirements of section forty-four of this act; and any wilful false swearing in regard to such reports, or in regard to any reports made to the public examiner pursuant to the provisions of this act, shall be deemed perjury, and be subject to the prosecutions and punishments prescribed by law for that offence. (*Id.* § 38.)

*§ 85. **Penalty for failure to report.** If any savings bank shall fail to furnish to the public examiner any report or statement required by this act, at the time so required, it shall forfeit the sum of one hundred dollars per day for every day such report or statement shall be so delayed or withheld; and the said public examiner may maintain an action in his name of office to recover such penalty, and when collected the same shall be paid into the treasury of the state, and be applied to defraying, so far as possible, the expenses entailed in examining savings banks; but the public examiner may, for sufficient cause, extend the time for making such report, not exceeding thirty days. (*Id.* § 39.)

*§ 86. **No other report required** No such corporation shall hereafter be required to make any annual or other report to the mayor or the commonalty of any city, nor to the board of supervisors of any county, nor to any other officer or authority whatso-

ever, except as in this act provided and required, nor shall they be subject to the inspection or supervision of any local officer or board, in any matters pertaining to the business and dealings of such corporation. (*Id.* § 40.)

*§ 87. **Public examiner shall make report to legislature.** It shall be the duty of the public examiner, on or before the first day of February in each year, to communicate to the legislature a statement of the condition of every such corporation from which a report has been received for the preceding year, also the name and location of savings corporations authorized by him during the previous year, with the date of their incorporation, and particularly designating those incorporated at any time which have commenced business during the previous year. (*Id.* § 41.)

*§ 88. **Examinations of savings corporations.** It shall be the duty of the public examiner, at least once in each year, and as much oftener as he may deem proper, either personally or by some competent person or persons to be appointed by him, to visit and examine every savings corporation in this state. The public examiner shall also have power in like manner to examine any such corporation, whenever, in his judgment, its condition or management is such as to render an examination of its affairs necessary or expedient. The said public examiner, and every such examiner, shall have power to administer an oath to any person whose testimony may be required on any such examination, and to compel the appearance and attendance of any such person for the purpose of such examination, by summons, subpoena, or attachment, in the manner now authorized in respect to the attendance of persons as witnesses in the courts of record of this state; and all books and papers which it may be deemed necessary to examine by the public examiner, or the examiner or examiners so appointed, shall be produced, and their production may be compelled in like manner. (*Id.* § 42.)

*§ 89. **Duty of public examiner and attorney general when corporation has violated its charter or law.** Whenever it shall appear to the said public examiner, from any examination made by him, or from the report of any examination made [to] by him, or from the report made by any such corporation, pursuant to the requirement of sections thirty-five, thirty-six and thirty-seven of this act, that any such corporation has committed any violation of its charter or of law, or is conducting its business and affairs in an unsafe or unauthorized manner, he shall, by an order under his hand and seal, direct the discontinuance of such illegal and unsafe or unauthorized practices, and strict conformity with the requirements of the law, and with safety and security in its transactions; and whenever any such corporation shall refuse or neglect to make any such report as is hereinbefore required, or to comply with any such order as aforesaid, or whenever it shall appear to the public examiner that it is unsafe or inexpedient for any such corporation to continue to transact business, he shall communicate the facts to the attorney general, who shall thereupon institute such proceedings as the nature of the case may require. The proceedings instituted by the attorney general may be for the removal of one or more of the trustees, or for the transfer of the corporate powers to other persons, or the consolidation and merger of the corporation with any other savings corporation that may be willing to accept of the trust, or for such other or further relief or correction as the particular facts communicated to him shall seem to require.

And the court before whom such proceedings shall be instituted shall have power to grant such orders, and, in its discretion, from time to time, to modify or revoke the same, as the evidence in the case, and the situation of the parties and the interests involved, shall seem to require. (*Id.* § 43.)

*§ 90. **Trustees shall make examination.** It shall be the duty of the trustees of every savings bank, on or before the first day of January in each year, to thoroughly examine the books, vouchers, and assets of such savings bank, and its affairs generally; and the statement or schedule of assets reported to the public examiner for the first of January in each year shall be based upon such examination, and shall be verified by the oath of a majority of the trustees making such examination, but nothing herein contained shall be construed as prohibiting the trustees of any savings bank from requiring such examinations at such [other] times as they shall prescribe. (*Id.* § 44.)

*§ 91. **Proceedings when savings banks become insolvent.** All the assets of any savings

bank or association, now or hereafter organized, that shall become insolvent, shall be applied [by] to the directors, assignee, or receiver thereof, in the first place to the payment in full of any sum or sums of money deposited therewith by any savings corporation, but not to an amount exceeding that authorized to be so deposited by the provisions of section twenty-eight of this act; and the foregoing provisions of this section shall also extend and apply to trust companies receiving deposits of savings corporations as authorized by this act, subject, however, to any preference in payment declared and provided in the charters of such trust companies respectively. (*Id.* § 45.)

*§ 92. **Unlawful for certain banks to solicit deposits.** It shall not be lawful for any bank, banking association, or individual banker, except savings banks, to advertise or put forth a sign as a savings bank, or in any way to solicit or receive deposits as a savings bank; and any bank, banking association, or individual banker, who shall offend against these provisions, shall forfeit and pay for every such offence the sum of one hundred dollars for every day such offence shall be continued, to be sued for and recovered in the name of the people of this state, by the district attorneys of the several counties, in any court having cognizance thereof, for the use of the poor chargeable to said county in which such offence shall be committed. (*Id.* § 46.)

*§ 93. **Number of trustees may be reduced.** It shall be lawful for the board of trustees of any savings corporation, by a resolution to be incorporated in their by-laws, a copy of which shall also be filed with the public examiner, to reduce the number of trustees named in the original charter of such corporation to a number not less than the minimum named in this act, such reduction to be effected gradually by the occurrence of vacancies by death, resignation or forfeiture, until the number is reduced to seven, or to such greater number as shall be designated in the aforesaid resolution; or the number of trustees may be increased to any number designated in a resolution for that purpose, where reasons therefor are shown to the satisfaction of the public examiner, and his consent in writing is obtained thereto. (*Id.* § 47.)

*§ 94. **Change of name.** Whenever a majority of all the trustees of any such corporation shall, by a resolution to be entered upon their minutes, express a desire and purpose to change the name of such corporation, the same may be effected in the following manner, to-wit: Notice of intention to apply to the public examiner for leave to change the name of such corporation, specifying the name thereof, and the name to which it is proposed to change the same, shall be published as required in section five of this act. After such publication, application may be made to the public examiner to change the name of such corporation to such name as has been agreed upon in such resolution and publication, evidence of which must be made satisfactory to the public examiner, together with such application. If it shall appear to the public examiner that it is expedient and proper that such change of name be made, he shall by an order, under his hand and seal of office, direct and authorize such change of corporate name to be made, and designate some day in the future, not to exceed thirty days from the date of such order, when the said change shall take effect. Such order shall be executed in triplicate, one filed in the office of the register of deeds in the county in which such corporation is located, one copy shall be transmitted to the corporation affected thereby, and one copy shall be filed in the office of the public examiner. Thereupon, from the date designated in such order for such change of name to take effect, such corporation shall be known and described by the name designated in such order, and by such name shall have all the rights and powers to which it would be entitled if such change had not been made; but no such change shall in any manner lessen or impair any liability of such corporation incurred or existing at the time such change of name shall be made. (*Id.* § 48.)

*§ 95. **Provision to conform charters of savings corporations to this act.** The powers, privileges, duties and instructions conferred and imposed upon any savings corporation, by whatever name known, by its charter or act of incorporation, are hereby abridged, enlarged or modified, as each particular case may require, in such manner that each and every such charter or act of incorporation shall be made to conform to the provisions of this act, and to such amendments as may be made thereto; and each and every such savings corporation shall possess the powers and privileges, and

be subject to the duties and restrictions and liabilities conferred and imposed by this act, anything in their respective charters or acts of incorporation to the contrary notwithstanding. But nothing in this act shall be construed to affect the legality of investments heretofore made, or of transactions heretofore had pursuant to any provisions of law in force when such investments were made or transactions had, nor to require the change of investments for those named in this act, except as the same can be done gradually by the sale or redemption of the securities so invested in, in such manner as to prevent loss or embarrassment in the business of such corporation, or unnecessary loss or injury to the borrowers on such securities. And the investment hereafter in any such securities not named in this act, or the amendments that may be made thereto, shall be deemed a misdemeanor on part of the trustees authorizing or officers making the same, and such trustees or officers shall be subject to the prosecutions and punishments prescribed by law for that offence. (*Id.* § 49.)

*§ 96. **Evidence of deposit.** All certificates or other evidences of deposit made in pursuance of the regulations and usages of any such corporation shall be as binding upon such corporation as though made under its common seal. (*Id.* § 50.)

*§ 97. **Misnomer not to impair any instrument.** The misnomer of any such corporation in any deed, grant, contract, conveyance or other instrument, shall not vitiate or impair the same, if the corporation be sufficiently described therein to ascertain the intention of parties. (*Id.* § 51.)

*§ 98. **Construction, etc.** This act is hereby declared to be a public act, and shall be construed favorably for every beneficial purpose therein contained, but no portion of this act shall apply to savings banks now in existence and operation in the state of Minnesota, which banks may be continued under the laws applicable to such banks before the passage of this act, unless they or any of them desire to organize thereunder. (*Id.* § 52.)

See page 361.

CHAPTER XXXIV.

CORPORATIONS.

CORPORATIONS EMPOWERED TO TAKE PRIVATE PROPERTY FOR PUBLIC USE.

§ 17. **Hearing on petition—appointment of commissioners.** At the time and place appointed for hearing said petition, or at the time and place to which the proceedings may have been adjourned as provided in the preceding section, upon the presentation of such petition, with satisfactory proof that all the parties therein named have been duly served with the said notice as hereinbefore prescribed, the court shall proceed to hear and determine the same; all or any of the persons whose lands, property, estates, or interests are to be affected by the proceedings, may show cause against granting the prayer of the petition, and may disprove any of the facts alleged in it; the court shall hear the proofs and allegations of the parties, and if the court shall be satisfied that the public interests require the prosecution of such enterprise, and that the lands or real estate proposed to be taken are required and necessary for the purposes of such enterprise, it shall make an order, to be recorded in the minutes thereof, appointing three competent, disinterested persons, resident in said county, commissioners to ascertain and determine the amount to be paid by such corporation, to each of such owners or persons interested, as compensation for his or her damages by reason of the taking or injuriously affecting any such lands, property, estates, or interests, and specifying therein the time and place of the first meeting of such commissioners and fixing their compensation. And the court may also in its discretion, in and by said order, limit the easement to be acquired by reserving to the land owner such rights and privileges therein and to be defined in such order as shall not be incompatible with the use for which the land is sought to be appropriated; such rights and privileges to be exercised and enjoyed in such manner at all times as not to injure or interfere with the railway track or struct-