
LEGISLATURE OF PENNSYLVANIA.

FILE OF THE HOUSE OF REPRESENTATIVES.**No. 683****Session of
1919.**

INTRODUCED BY MR. STERLING, FEBRUARY 17, 1919.

**REFERRED TO COMMITTEE ON BANKS AND BANKING,
MARCH 3, 1919.**

AN ACT

Regulating the auditing of the accounts and examining the securities of Building and Loan Associations providing for filing of reports thereof prescribing the duties of official examiners qualified by the Banking Department and providing penalties

1 Section 1 *Be it enacted by the Senate and House of Repre-*
2 *sentatives of the Commonwealth of Pennsylvania in General Assembly*
3 *met and it is hereby enacted by the authority of the same That*
4 *it shall be unlawful for any officer director or stockholder*
5 *of any building and loan association to render or issue*
6 *any financial statement or report for distribution or other-*
7 *wise to its members or the public or to the Banking*
8 *Department of the Commonwealth of Pennsylvania showing*
9 *and containing a statement of the financial condition of*
10 *any such association unless the said report or statement*
11 *is compiled and prepared by a qualified official examiner*
12 *duly authorized by the Banking Department to make such*
13 *examination and report as hereinafter provided any by-*

1 laws of any such association to the contrary notwith-
2 standing This section shall in no manner interfere with
3 or supersede the regular audits or examinations made by
4 the Banking Department of the Commonwealth

5 Section 2 The Commissioner of Banking shall hold ex-
6 aminations from time to time in accordance with such
7 rules and regulations as he may prescribe for the purpose
8 of selecting a sufficient number of qualified official ex-
9 aminers A list of examiners so selected shall be pub-
10 lished and distributed to each of the various building and
11 loan associations located and operating in the respective
12 counties of this Commonwealth

13 Section 3 The books records and accounts of each
14 building and loan association shall be audited and the
15 securities examined at least once a year by such quali-
16 fied official examiner selected by said association from the
17 list of examiners issued by the Banking Department The
18 annual audit and examination shall be made completed and
19 a report thereof filed within twenty days after the close
20 or expiration of the fiscal year of such association The
21 report or statement of such examiner submitted to said
22 association shall be the authorized and official report or
23 statement of said association and may be published and
24 distributed by the said association

25 The said report or statement shall contain a state-
26 ment that it is the "Official report" and that ~~the books~~
27 records and accounts were audited and the securities ex-
28 amined and the report or statement compiled and pre-
29 pared by a qualified official examiner giving also the

1 name of the said official examiner making said audit and
2 examination

3 Section 4 Each qualified official examiner when selected
4 by an association to audit its books records and accounts
5 and to make examination—of its securities shall make a
6 thorough examination of the financial condition and securi-
7 ties of the said association in accordance with such rules
8 and regulations as may be required by the Commissioner
9 of Banking The said examiner shall submit a full and
10 complete report or statement showing the true and cor-
11 rect financial condition of the said association and also
12 forward within ten days after completion of said audit
13 and examination a true copy thereof to the Banking De-
14 partment He shall make such other reports to the Bank-
15 ing Department as the Commissioner may prescribe

16 Section 5 The official examiner shall receive from said
17 association for his services upon making and filing his
18 report with the association and the Banking Department
19 the sum of twenty-five dollars where the assets of said
20 association amount to one hundred thousand dollars or less
21 and the sum of twelve dollars and fifty cents for each
22 one hundred thousand dollars or fractional part thereof
23 of assets in excess of the first one hundred thousand
24 dollars

25 Section 6 Any officer director or stockholder of any
26 building and loan association violating any provisions of
27 this act shall be guilty of a misdemeanor and upon con-
28 viction thereof shall be sentenced to pay a fine not ex-
29 ceeding five hundred dollars for each offense or be im-

1 prisoned in the county jail for a period not exceeding
2 three months or both at the discretion of the court
3 Section 7 Any such qualified official examiner who
4 shall wilfully submit either to the association or Banking
5 Department a report or statement of any building and
6 loan association which is untrue or falsified in any par-
7 ticular shall be guilty of a misdemeanor and upon con-
8 viction thereof shall be sentenced to pay a penalty of
9 one thousand dollars or be committed to the county jail
10 for a term not exceeding one year or both at the dis-
11 cretion of the court