Notice of alteration of charter.

publications, in one or more newspapers published at Lancaster and at Harrisburg, for the period of three months, of the alteration in the charter of said bank, produced by this act.

FINDLEY PATTERSON,
Speaker of the House of Representatives.
WILLIAM P. WILCOX,
Speaker of the Senate.

Approved—The eighth day of April, one thousand eight hundred and forty-five.

FRS. R. SHUNK.

No. 229.

AN ACT

To extend the charter of the Bank of Chambersburg, and for other purposes.

Charter extended

Section 1. *Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same,* That the charter of "the Bank of Chambersburg," shall be and the same is hereby continued and extended for the term of five years, from the expiration of the present charter, subject to the provisions imposed by this act, and to all the provisions now imposed upon the said bank by existing laws of this commonwealth, and also subject to such further provisions as the legislature may hereafter think proper to enact for the regulation of banking institutions.

Liabilities of bank limited.

Section 2. The total liabilities of the said bank, exclusive of deposites, shall not at any time, exceed double the amount of its capital stock paid in, nor shall the debts of every kind due, and to become due to the said bank, except debts due from the government of the United States, and the state of Pennsylvania, ever amount to more than three times its capital stock paid in; and the said bank shall not loan or discount any, when its circulation shall be equal, for thirty consecutive days, to three times the amount of specie or notes of specie paying banks in its possession, belonging to said bank; and any balances which shall be standing to the credit thereof, in specie paying banks, and which shall be convertible into specie at the pleasure of said Bank of Chambersburg.

Returns.

Section 3. In addition to the returns which the said bank is now required by law to make, when notified so to do, by the auditor general, it shall also return on the oath of the cashier, a statement in tabular form, showing first, the whole amount of its liabilities; second, the amount of debts due or to become due to the said bank, except as before excepted; and if upon the return so made, it shall appear that its liabilities or debts due or to become due to it, except as before excepted, shall have exceeded for thirty consecutive days, at any quarter of the last year, three times the amount of its capital stock paid in, or that its circulation was greater during that time, for thirty consecutive days, than three times the amount of specie and notes of specie paying banks in its possession, belonging to said bank; and any balances which shall be standing to the credit thereof, in specie paying banks, and which shall be convertible into specie, at the pleasure of said Bank of Chambersburg, it shall be the duty of the auditor general forthwith, to give notice thereof to the governor, who shall issue a proclamation, which shall be published in one newspaper in Harrisburg, declaring its charter forfeited; and the said bank shall go into liquidation, under the provisions of the act of the twelfth of March, Anno Domini one thousand eight hundred and forty-two, entitled "An Act to provide for the resumption of specie payments by the banks of this commonwealth, and for other purposes:" *Provided*, That if the said bank shall at any time fail or refuse to redeem its notes, and pay its liabilities in gold and silver coin, upon demand being made at the banking house of said bank, during banking hours, such failure or refusal, shall be deemed and held to be an absolute forfeiture of the charter of said bank; and the said bank may thereupon be proceeded against to compel an assignment, according to the provisions of the second section of the act of twelfth of March, one thousand eight hundred and forty-two, entitled "An Act to provide for the resumption of specie payments by the banks of this commonwealth, and for other purposes." **Proviso.**

Books. SECTION 4. That the books of the said bank shall be open to the inspection of any stockholder who may desire to examine the same.

Liability of stockholders, and mode of enforcing SECTION 5. The stockholders of the Bank of Chambersburg, shall be jointly liable to the creditors of said bank, in their individual capacity, for the amount of notes issued, in an amount not exceeding the par value of the stock owned and possessed by them respectively; and the manner of enforcing such liability shall be as follows: In case the said bank shall violate the provisions of any law applicable to it, or becomes insolvent, or in failing circumstances, by reason of the mismanagement of its affairs, and is compelled to make an assignment under the provisions of the second section of the act passed the twelfth day of March, A. D. eighteen hundred and forty-two, entitled "An Act to provide for the resumption of specie payments by the banks," the assignees so appointed shall proceed to make a fair and equitable appraisement of the assets of the said bank, of every description, at their cash value, and also to make a list of all the debts due by the said bank; and if it shall appear that the assets are insufficient to redeem the notes in circulation, the stockholders of the said bank shall be liable to make up such deficiency, in proportion to the respective amount of stock held by each at the time such assignment is made: *Provided*, That their joint liability shall in no case exceed the amount of the par value of their stock. **Proviso.**

Duty of assignees. SECTION 6. It shall be the duty of the assignees aforesaid to cause a scire facias, in the name of the commonwealth of Pennsylvania, to be issued by the prothonotary of the court of common pleas of Franklin county, against all the stockholders of the said bank, reciting the amount of such deficiency, and requiring them to appear at the next court of common pleas in said county, to show cause why execution should not issue against them for such amount; and such scire facias shall also set forth the proportions due from each of the said stockholders, and it shall be the duty of the sheriff of said county, to serve the writ upon all stockholders named in said writ residing within his bailiwick; and it shall be lawful for the next court of common pleas, or a judge in vacation, to make such order, in reference to giving notice to stockholders, non-residents in the county, and named in such writ, as the case may require: *Provided*, That the scire facias shall not abate by reason of the non-joinder of any stockholder; and in case it shall appear that one or more persons in said writ named, are not liable under the provisions of this act, it shall not vitiate the proceeding against the others.

Proviso.

Judgment.

SECTION 7. On the return day of said writ of scire facias it shall be the duty of said court to render judgment against the stockholders named in said process, for the amounts for which they are respectively liable, if no sufficient cause shall be shown to the contrary, and to award writs of execution as in other cases.

Who are liable.

SECTION 8. Every individual who owned stock in his or her own name, or in the name of any other person or persons, at the time of such assignment, shall be deemed liable for his or her proportions, under the provisions of this act; but it shall be lawful for any stockholder of the said bank, either before or after process shall have been issued, to pay his or her proportional share of liability to the assignees, and receive a full discharge from the same, and the process shall be proceeded in only against the other stockholders that are liable.

Acts relative to assignments, applied to bank.

SECTION 9. The several provisions of the act of the fourteenth of June, one thousand eight hundred and thirty-six, entitled "An Act relating to assignees for the benefit of creditors and other trustees," shall be held to apply to all assignments made by the said bank, whether under the provisions of the said second section of the act of twelfth March, one thousand eight hundred and forty-two, or otherwise, and the courts shall exercise all the powers therein given, in addition to the authority conferred by this act, to compel settlements of the accounts of the assignees, and to do every act necessary and proper to accomplish the purposes of the trust, and to compel distribution of the moneys and assets in the hands or power of the said assignees amongst the creditors entitled, according to the just proportion due to each.

Order of paying liabilities.

SECTION 10. The said assignees shall pay, out of the assets and property of the said bank, in case of any assignment, the debts and liabilities of the same, in the following order: First, note holders; second, depositors; third, all other creditors, except stockholders, who shall be last paid.

Penalty for embezzlement.

SECTION 11. If any president, cashier, or any other officer or clerk of the said bank, shall fraudulently embezzle or appropriate to his own use, or to the use of any other person or persons, any money or other property belonging to the said institution, or left with the same as a special deposite or otherwise, he or they upon conviction of such offence shall be fined in a sum not less than the amount so appropriated or embezzled, and sentenced to undergo imprisonment in one of the state penitentiaries, as the case may be, to be kept in separate or solitary confinement, at labor, a period not exceeding two years, at the discretion of the court: *Provided*, That this shall not prevent any person or persons aggrieved, from pursuing his, her or their civil remedy against such person or persons.

Fraudulent insolvency.

SECTION 12. The insolvency of said bank shall be deemed fraudulent, unless its affairs shall appear, upon investigation, to have been fairly and legally administered, and generally with the same care and diligence that agents, receiving a compensation for their services, are bound by law to observe.

SECTION 13. In case of a fraudulent insolvency the directors of said bank, by whose acts or omission the insolvency was in whole or in part occasioned, and whether then in office or not, shall each be liable to the stockholders of the said bank for his proportional share of the respective losses, the proportion to be ascertained by dividing the whole loss amongst the whole number of directors liable for its reimbursement. If the moneys remaining due to the creditors of the said bank, whose insolvency shall be adjudged fraudulent after the distribution of its effects, shall not be collected in whole or in part from the directors liable for their reimbursement, the deficiency so far as to redeem the notes issued, shall be made good by the contribution of the stockholders of the said bank; the whole amount of the deficiency shall be assessed on the whole number of shares of the capital stock, and the sum necessary to be paid on each share shall then be ascertained, and each stockholder shall be liable for the sum assessed on the number of shares held by him, not exceeding the nominal amount of such shares, in addition to the sum paid or which he may be liable to pay on account of such shares: *Provided*, That nothing contained in this section shall be so construed as to conflict with the fifth section of this act. Liability of directors.

SECTION 14. If the amount assessed on the shares of any stockholder under the provisions of the last section, shall not be collected from such stockholder by reason of his insolvency or his absence from this state, the sum remaining due on such assessment shall be recoverable against the person from whom the delinquent stockholder, at any time within six months previous to the insolvency of the said bank, shall have received a transfer of the shares or any portion of the shares then held by him; and any person having made such transfer shall be liable in the same manner, and for the same proportion, that he would have been liable had he continued to hold the shares so transferred. Liability of transferees.

SECTION 15. The term stockholders, as used in the preceding sections of this act, shall extend to every equitable owner of stock appearing on the books of the said bank at the time of its insolvency, in the name of another person, and to every person who shall have advanced the instalments or purchase money of any shares of stock standing in the name of any of his children under the age of twenty-one years; but no person holding stock as an executor or administrator, or as guardian or trustee, appointed by a last will or testament, or by a court of competent authority, and no legal or equitable owner of stock under the age of twenty-one years, shall be individually responsible on account of the shares so held. Stockholder defined.

SECTION 16. The term insolvency, used in the preceding section, shall be construed to apply to the said bank when it is compelled to make an assignment, according to the provisions of the fifth section of this act; and it shall be thereupon the duty of the directors of the said bank for the time being, within ten days after such assignment, to file in the office of the prothonotary of the court of common pleas of Franklin county, verified by oath or affirmation, a full statement of its affairs, containing— Insolvency defined. Statement.

I. An account of capital stock of the bank, the amount paid in, and the amount of stock held by such corporation. Capital.

II. The quantity, description, and value of the real estate of the said bank. Estate.

III. The shares of stock held by the bank, whether absolutely or as collateral security, with their number and value. Stock.

Debts to bank.

IV. The debts owing to said bank, and the amount of said debts that are then collectable.

Debts of bank.

V. The amount of debts owing by the said bank, with the amount of notes or bills in circulation, amount of deposites, and all other liabilities, together with the amount of its loans and discounts, and of specie on hand.

Losses.

VI. A particular account of the losses of the corporation, and the cause of its insolvency.

Stockholders' names.

VII. An accurate list of the names and residences, and the amount of stock held by each stockholder in said bank at the time of, and for six months prior to, the time of the said assignment.

Presentation of statement.

SECTION 17. If the court shall be in session when the said statement is filed, the same shall be immediately presented to the court by the said directors for examination; and if the court should not be in session at such time, then the said statement shall be presented upon the first day of the session of the court thereafter; and it shall thereupon be the duty of the court to appoint three competent auditors, who shall be duly sworn or affirmed to make a strict investigation of the affairs of such bank, the accuracy and fairness of the statement thus presented to the court, and to perform their duties with fidelity.

Auditors' powers, &c.

SECTION 18. The auditors thus appointed shall have power to compel the production of the books and papers, and to subpœna and examine the directors and officers of the said bank, and generally to have and exercise all the authority now conferred on auditors by the existing laws; and after having performed their duties, they shall report to the court the result of their investigation; and in case they report that the insolvency was fraudulent, it shall be their duty also to ascertain and report the amount due from the several directors, according to the liabilities imposed by the provisions of this act.

Investigation by court.

SECTION 19. The said court shall thereupon proceed to the investigation of the matters contained in said report, and shall determine whether the insolvency of said bank was fraudulent or otherwise; or, if they deem it necessary for the purposes of justice, may direct an issue at the request of any person interested to try the fact of fraudulent insolvency, and if the judgment of the court, upon the report of the auditors or upon the verdict rendered upon such issue, should be that the insolvency of such bank was fraudulent, then and in such case the said court shall proceed to decree against the directors the amount due from each, according to their several liabilities; and the said court of common pleas, for the purpose of carrying into effect the provisions of this act, shall have the same powers and authorities to obtain the appearance of persons thus made amenable to their jurisdiction, and to compel obedience to their orders and decrees, and enforce execution thereof, as are by law vested in the said courts in cases of trust.

Exemption of directors from liability.

SECTION 20. That it shall be competent for the stockholders of the said bank, at any annual meeting, or at a special meeting convened for the purpose according to law, by a vote of at least four-fifths in number and value of those present, to exempt the directors from all liabilities intended for the special benefit of said stockholders, as set forth in the preceding sections of this act; that thirty days from the passage of this act, are allowed to the stockholders of said bank to decide whether they will accept this charter.

Repeal.

SECTION 21. So much of any act or acts of assembly as is hereby altered or supplied, be and the same is hereby repealed.

Section 22. That the legislature hereby reserves the power to alter, revoke, or annul the charter of the said bank whenever, in their opinion, it may be injurious to the citizens of the commonwealth; in such manner, however, that no injustice shall be done to the corporators thereof. Power of revocation.

FINDLEY PATTERSON,
Speaker of the House of Representatives.
WILLIAM P. WILCOX,
Speaker of the Senate.

Approved—The eighth day of April, one thousand eight hundred and forty-five.

FRS. R. SHUNK.

No. 230.

A FURTHER SUPPLEMENT

To an act, entitled "An Act to establish the district court for the city and county of Philadelphia," passed the twenty-eighth day of March, one thousand eight hundred and thirty-five.

Section 1. *Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same,* That the authority, power and jurisdiction, given to the district court for the city and county of Philadelphia, by an act passed on the seventh day of April, one thousand eight hundred and thirty, entitled "A further supplement to an act, entitled 'An Act for establishing a health office, and to relieve the city and port of Philadelphia from the introduction of pestilential and contagious diseases, and for other purposes,'" are hereby declared to be vested in the court established by the act to which this is a further supplement, and that all former proceedings under said act, passed on the seventh day of April, one thousand eight hundred and thirty, be and the same are hereby confirmed. Powers.

FINDLEY PATTERSON,
Speaker of the House of Representatives.
WILLIAM P. WILCOX,
Speaker of the Senate.

Approved—The tenth day of April, one thousand eight hundred and forty-five.

FRS. R. SHUNK.