

## No. 72

## AN ACT

To repeal an act, approved the tenth day of June, one thousand eight hundred and eighty-one (Pamphlet Laws, one hundred and four), entitled "An act to provide for the assessment of damages and benefits caused by the altering or changing of the channels of water courses in cities of the fifth class."

Cities of fifth class.

Damages for changing water courses.

Act of June 10, 1881 (P. L. 104), repealed.

Section 1. Be it enacted, &c., That an act, approved the tenth day of June, one thousand eight hundred and eighty-one (Pamphlet Laws, one hundred and four), entitled "An act to provide for the assessment of damages and benefits caused by the altering or changing of the channels of water courses in cities of the fifth class," be and the same is hereby repealed.

APPROVED—The 31st day of March, A. D. 1927.

JOHN S. FISHER

## No. 73

## AN ACT

To amend section one of an act, approved the nineteenth day of June, one thousand nine hundred and eleven (Pamphlet Laws, one thousand and sixty), entitled "An act to provide for licensing and regulating private banking in the Commonwealth of Pennsylvania; and providing penalties for the violation thereof," providing for the distribution of the assets of private bankers in case of insolvency.

Private banking.

Section 1 of act of June 19, 1911 (P. L. 1060), amended.

Section 1. Be it enacted, &c., That section one of an act, approved the nineteenth day of June, one thousand nine hundred and eleven (Pamphlet Laws, one thousand and sixty), entitled "An act to provide for licensing and regulating private banking in the Commonwealth of Pennsylvania; and providing penalties for the violation thereof," is hereby amended to read as follows:

Licensing and regulating.

Section 1. Be it enacted, &c., That, except as provided in section eight (8), no individual, partnership, or unincorporated association shall hereafter engage, directly or indirectly, in the business of receiving deposits of money for safe-keeping or for the purpose of transmission to another, or for any other purpose, without having first obtained from a board, consisting of the State Treasurer, the Secretary of the Commonwealth, the Commissioner of Banking,—hereinafter referred to as the "Board,"—a license to engage in such business. Before receiving such license, the applicant shall file with the Commissioner of Banking a written statement, in the form to be prescribed by the Commissioner of Banking, and verified under oath, showing the amount of the assets and liabilities of the applicant;

Board.

Filing of statement.

Contents.

designating the place where the applicant proposes to engage in business, the names and addresses of all partners or members of the unincorporated association, that the applicant is a citizen, or, if the applicant shall constitute a partnership or unincorporated association, that a majority of the members thereof, having a controlling interest in the business of such partnership, are citizens of the Commonwealth of Pennsylvania. In addition thereto, there shall be presented to the Commissioner of Banking a bond to the Commonwealth of Pennsylvania, executed by the applicant and by a surety or sureties approved by the board, conditioned upon the faithful holding of all moneys that be deposited with the applicant, in accordance with the terms of the deposit, and the repayment of such moneys so deposited, upon the faithful transmission of any money which shall be delivered to such applicant for transmission to another, and, in the event of the insolvency or bankruptcy of the applicant, upon the payment of the full amount recoverable under the conditions of such bond to the assignee, receiver, or trustee of the applicant, as the case may require, for the benefit of the persons making such deposits and of such persons as shall deliver money to the applicant for transmission to another. The penalty of the bond shall be a sum fixed by the board, which shall not be more than fifty thousand dollars nor less than ten thousand dollars. In lieu of the aforesaid bond the applicant may deposit, and the Commissioner of Banking shall accept, money and securities, consisting of bonds of the United States or of this Commonwealth, or any municipality thereof, or other securities, approved by the board. The money and securities so deposited shall be held in the conditions specified in the aforesaid bond. If securities be deposited in lieu of the aforesaid bond, and shall be accepted as hereinafter provided, the Commissioner of Banking shall require the applicant to maintain such deposit at a value equal to the amount fixed as the penalty of the bond, in lieu of which such money and securities shall be so deposited. Upon the receipt of such application the Commissioner of Banking shall cause to be made an examination of the financial standing and moral character of the applicant, as to whether the statements contained in the application are true; and, to this end, the application shall be advertised by the Commissioner of Banking, at the expense of the applicant, once a week for at least three weeks in two newspapers of general circulation, and in the legal periodical, if any, in the county where applicant purposes to do business, or nearest county where such newspapers are published. After such advertisement, the board may, in its discretion, approve or disapprove the application.

Bond.

Deposit of money and securities in lieu of bond.

Examination.

Advertisement of application.

Approval.	<p>In the event of his approval, he shall accept the money, securities, and bond, if there be one, and hold them for the purpose herein set forth; and shall issue a license authorizing the applicant to carry on the aforesaid business at the place designated in the application, and to be specified in the license certificate. For such license the licensee shall pay a fee of fifty dollars. Such license shall not be transferred or assigned. It shall not authorize the transaction of business at any place other than that described in the license certificate, except with the written approval of the board. Immediately upon the receipt of the license certificate, issued by the Commissioner of Banking pursuant to this article, the licensee named therein shall cause such license certificate to be posted and at all times conspicuously displayed in the place of business for which it is issued, so that all persons visiting such place may readily see the same. It shall be unlawful for any person or partnership or unincorporated association holding such license certificate to post such certificate, or to permit such certificate to be posted, upon premises other than those designated therein or to which it has been transferred pursuant to the provisions of this article, or knowingly to deface or destroy any such license certificate. If it shall be established to the satisfaction of the board, in accordance with rules and regulations by it prescribed, that an unexpired license certificate, issued in accordance with the provisions of this article, has been lost or destroyed, without fault on the part of the holder, the board shall issue a duplicate license therefor. The money and securities deposited with the Commissioner of Banking as herein provided, and the money which in case of default shall be paid on the aforesaid bond by any applicant or the surety thereof, shall constitute a trust fund for the benefit of the depositors of the licensee and of such persons as shall deliver money to such licensee for transmission to another, and such beneficiaries shall be entitled to an absolute preference as to such moneys or securities over all general creditors of the licensee. Such moneys and securities shall, in the event of the insolvency or bankruptcy of the licensee, be delivered by the Commissioner of Banking, on the order or judgment of a court of competent jurisdiction, to the assignee, receiver, or trustee of the licensee designated in such order or judgment.</p> <p><i>In case of the insolvency of any such individual, partnership, or unincorporated association, acting as a private banker, the distribution of the money, funds, property, and assets (other than the proceeds from the said bond or securities deposited) of the individual, partnership, or unincorporated association, shall be made and preferred in the following order: First, To the payment of all depositors of the individual,</i></p>
License.	
Fee.	
Posting of certificate.	
Duplicate license.	
Trust fund	
Preference.	
Insolvency or bankruptcy.	
Distribution of fund.	

partnership, or unincorporated association, whether the deposits be subject to immediate check, or only payable after specified notice, or at the expiration of a fixed period, whether or not such notice has been given or such period expired at the time of such distribution. Bona fide holders for value of certified checks or of certificates of deposit issued by such private banker or of checks or drafts of such private banker given in exchange for or in payment of checks or drafts of depositors of such private banker, drawn thereon, not exceeding the balance to the credit of such depositor, shall also be treated and considered as depositors within the meaning of this clause; Second, To the payment and discharge of all the remaining liabilities of such individual, partnership, or unincorporated association; Third, The residue, if any, shall be distributed to the individual or the partners or members of such partnership or unincorporated association according to their respective legal rights. The Commissioner of Banking shall cause to be printed annually, on the first day of January, and distributed upon application, a list of all licenses granted and remaining unrevoked. The Commissioner of Banking shall, from time to time, pay over to each such licensee all moneys received by him as interest upon any moneys or securities deposited in accordance with the provisions of this article. All moneys or securities deposited with the Commissioner of Banking hereunder shall be turned into the State Treasury, and received for by the State Treasurer to the depositor, and to be subject to withdrawal only upon the warrant of the Commissioner of Banking, and all interest coupons on any securities deposited with the State Treasurer shall be surrendered when due to the owners of said securities, upon their request.

Annual list.

Interest on deposits.

Moneys to be turned into State Treasury.

Coupons.

APPROVED—The 5th day of April, A. D. 1927.

JOHN S. FISHER

No. 74

AN ACT

To amend section four of the act, approved the thirteenth day of May, one thousand eight hundred and seventy-six (Pamphlet Laws, one hundred sixty-one), entitled "An act for the incorporation and regulation of banks of discount and deposit," shortening the period of the advertisement of the notice of applications and renewals for charters and for the increase of capital.

Section 1. Be it enacted, &c., That section four of the act, approved the thirteenth day of May, one thousand eight hundred and seventy-six (Pamphlet Laws, one hundred sixty-one), entitled "An act for the incorporation and regulation of banks of discount and deposit," is hereby amended to read as follows:

Banks.

Section 4 of act of May 13, 1876 (P. L. 161), amended.