

Auditor General of the Commonwealth have been duly filed to the date of the proposed sale, assignment, disposition and conveyance; and that all taxes due the Commonwealth of Pennsylvania have been paid up to and including such date: *And provided further, That in the case of the sale, assignment, disposition, or conveyance by any building and loan association, created under the provisions of this act, of its franchises and property to another building and loan, created under the provisions of this act as aforesaid, in lieu of the advertisement required by section nineteen of this act, notice of the time, place and object of the meeting of stockholders, therein mentioned, shall be published, once a week for two weeks prior to such meeting, in at least one newspaper published in the county, city or borough wherein the place of business of the first-mentioned building and loan association is situated.*

Building and loan associations.

Sale of property.

Notice of meeting of stockholders.

Publication.

APPROVED—The 12th day of June, A. D. 1931.

GIFFORD PINCHOT

No. 195

AN ACT

To amend section thirty-six of the act, approved the fifteenth day of June, one thousand nine hundred twenty-three (Pamphlet Laws, eight hundred nine), entitled "An act relating to the organization, maintenance, and operation of the Department of Banking, and the scope of its supervision and control over corporations, partnerships, unincorporated associations, and individuals and the assets and liabilities thereof; providing penalties for the enforcement of its provisions; and repealing The Banking Department Act of nineteen hundred and nineteen, with table of contents," as amended, by providing that pledgees of assets of institutions in the possession of the Secretary of Banking may not forfeit or sell the same except under certain conditions; and providing penalties.

Section 1. Be it enacted, &c., That section thirty-six of the act, approved the fifteenth day of June, one thousand nine hundred twenty-three (Pamphlet Laws, eight hundred nine), entitled "An act relating to the organization, maintenance, and operation of the Department of Banking, and the scope of its supervision and control over corporations, partnerships, unincorporated associations, and individuals and the assets and liabilities thereof; providing penalties for the enforcement of its provisions; and repealing The Banking Department Act of nineteen hundred and nineteen, with table of contents," as amended by the act, approved the fifth day of May, one thousand nine hundred twenty-seven (Pamphlet Laws, seven hundred sixty-two), is hereby further amended to read as follows:

Department of Banking.

Section 36, act of June 15, 1923 (P. L. 809), as amended by act of May 5, 1927 (P. L. 762), further amended.

Liens.	Section 36. Judgments Not to Be Liens; Stay of Execution.—No mechanic's lien shall attach, nor shall any other lien attach, to any of the property or assets of the corporation or person by reason of the entry of any judgment against such corporation or person after the secretary has taken possession of its or his property and business and filed a certificate in his office in the Capitol at Harrisburg, as required by section twenty-two of this act, and so long as such possession continues.
Stay of execution or attachment.	During such time no execution or attachment shall issue against such corporation or person, nor shall any pending execution or attachment be proceeded with except by special leave of the court, <i>nor shall any pledgee holding any assets pledged by any such person or corporation as collateral or in pledge, but belonging to others and actually known as such by the pledgee at the time of the pledge, proceed to forfeit or sell any such collateral or pledged assets after the secretary has taken possession without express permission of the secretary, any provision in any collateral note or agreement to the contrary notwithstanding: Provided, That if the secretary refuses such permission, said pledgee may, with notice to the secretary, apply to the court for leave to sell the collateral held in pledge, and the court may thereupon grant such leave or make such order, and upon such terms, as will best protect the interests of all parties concerned: Provided further, That if such collateral so pledged by any such person or corporation is accompanied by the obligation of the original borrower, the pledgee shall have the right to exercise all the rights, powers and privileges in respect to such collateral, including sale, contained in the obligation held by such pledgee.</i>
Pledged assets not to be sold without permission of secretary.	
Proviso.	
Proviso.	
Repledge of collateral.	No person or corporation shall repledge any collateral held by such person or corporation unless accompanied by the obligation of the original borrower, nor for an amount exceeding the amount of the original obligation due at the time the collateral is repledged.
Violation.	Any violation of the provisions of this section shall be a misdemeanor, upon conviction whereof, the person so offending shall be sentenced to pay a fine of not exceeding five thousand dollars, or imprisonment for a term not exceeding five years, or both, at the direction of the court.
Penalty.	

APPROVED—The 12th day of June, A. D. 1931.

GIFFORD PINCHOT