

CHAPTER 87.

AN ACT to Incorporate the State Bank of Iowa.

SECTION 1. *Be it enacted by the General Assembly of the State of Iowa,* That the State Bank of Iowa be and the same is hereby incorporated with all the powers hereinafter granted, and by that name shall be capable of contracting and being contracted with, and of prosecuting and defending actions as fully as natural persons, and of doing all other acts necessary to effect the objects contemplated in this act by the creation of said corporation.

State B'k Incorporated.

SEC. 2. That as soon as five or more branches of the State Bank of Iowa shall be organized as in this act is authorized, the Directors of the said State Bank of Iowa appointed by such branches, shall meet in Iowa City at such time as shall be designated by the Board of Bank Commissioners, who shall give ten days previous notice to each branch, of the time of such meeting, and provided two-thirds of the whole number of such Directors shall be convened, they shall organize by taking an oath, diligently, faithfully, and impartially to perform the duties imposed upon them by by this act, a certificate of which oath, signed by each Director, shall be filed and preserved in the office of the Secretary of State, and by electing some one of their number as President, who shall preside at the meetings of the Board and sign its official documents; and thereafter the directory of the State Bank shall be composed of one Director, appointed by each branch of said Bank, two-thirds of whom shall be a quorum; and other branches may be organized under such Directory as is herein provided.

Five or more branches may organize.

Meet at Iowa City.

Elect Pres't.

SEC. 3. The Directors shall, when they deem it necessary, elect a Vice President, whose duty shall be prescribed by the by-laws. They shall appoint a Secretary, who shall keep a fair and true record of the proceedings of the Bank. They shall keep an office in Iowa City, which together with their books, papers, records, and accounts of every description, shall at all times be open to the inspection of any committee of the General As-

Directors may elect a Vice President and Sec'y.

Office kept at Iowa City.

assembly, or either branch thereof, and of any Commissioner or Commissioners specially appointed for that purpose by the General Assembly, or either branch thereof, or by the Governor of the State. They shall procure and furnish each branch with notes for circulation, and decide on the amount to be furnished from time to time to each, within the limits and agreeably to the rules and restrictions prescribed by this act. They may prescribe rules for the settlement of balances between branches, revise their by-laws and regulations concerning charges for making collections, and cause both to be made uniform, or as nearly so as may be expedient. They shall have power by themselves, or by a committee of one or more members of their own body, or by a special agent appointed by them for that purpose, whenever, and as often as they shall think proper, to visit any branch, inspect its books, records and accounts, and all the evidences of debt due to and securities held by such branch, examine and ascertain the amount of money and other property held by such branch; examine on oath the President, Vice President, and Directors, and Cashier, and all other officers, agents, clerks, or servants of the branch, touching its condition, means and liabilities, they shall have power to require any branch to reduce its circulation or other liabilities within such limits as they shall, after full enquiry into its condition, deem necessary to secure from loss either the dealers with such branch, or the other branches of the State Bank of Iowa. They shall, as soon after the first Monday of every month as practicable, publish in some newspaper printed at Iowa City, a consolidated abstract of the monthly reports of all the branches, showing their assets, liabilities and condition, which statements shall be recorded in a book or books to be kept for that purpose. They may appoint an executive committee of not less than three, of whom the Vice President shall be one, to act in behalf of the Bank in all such cases as shall be prescribed by the by-laws of said Bank, not inconsistent with this act.

SEC. 4. The President, Vice-President, Secretary

and all officers and agents of the Bank, shall each receive such compensation for their services as said Bank shall allow, which shall be assessed upon the several branches of the State Bank of Iowa, in the ratio of their capital stock. The Bank may also allow the executive committee such compensation as it may deem just and reasonable, to be paid by the several branches in the same manner; and the expenses of procuring plates and printing notes of circulation, shall be paid by the several branches in the ratio of the notes of circulation received by each.

Compensation of officers.

Expense of plates

SEC. 5. Each Director of the Bank, appointed by the branches, shall continue in office until the first Monday in February next after his appointment, and until his successor shall be appointed and qualified. Vacancies in the Board shall be filled by the branch by which the appointment vacated was made. In voting, each member shall be entitled to two votes, and to one additional vote for every fifty thousand dollars of the amount of capital stock paid into the branch represented by him over one hundred thousand dollars, at the time of such voting. The President and Vice-President of the Bank shall hold their offices for one year, and until their successors are appointed; but they may be removed by a resolution of the Board. They and all other officers and agents of the Bank shall take an oath faithfully, diligently, and impartially, to fulfill the duties of their appointments, and not knowingly violate any of the provisions of this act. They shall be required to give bond in such sum, and with such securities, as the Bank shall prescribe, and all vacancies in said appointment shall be filled by the Bank.

Appointment of Directors.

Vacancies filled. Ratio of Voting.

Term of officers.

Take oath.

Give bond.

SEC. 6. All notes designed for circulation by the branches, shall be furnished by the State Bank of Iowa; but no notes shall be delivered to any branch until they are numbered and countersigned by some person authorized by the State Bank of Iowa to countersign the same as register, and a full record of such numbering and countersigning made in a book provided for that purpose; and all such notes shall have stamped or printed

State Bk to furnish branches with notes, register'd and numbered.

Worn and defaced notes exchanged and destroyed.

on their face the words, "Registered by the State Bank of Iowa." All notes so worn, defaced, or mutilated, as to be unfit for circulation, shall be returned by the branch by which they were issued, to the Bank and an equal amount of new notes received therefor; all such notes so returned by a branch, shall be credited, and all new ones delivered in their stead shall be charged to such branch on the books of said Bank; and the notes so returned shall be burned to ashes in the presence of the President or Vice President, and at least two of the Directors of said Bank.

Branches to furnish stocks as security for notes.

SEC. 7. Before the Bank shall deliver to any branch, notes for circulation, it shall require such branch to pay over or deposit to the credit of said Bank, as said Bank shall order, either in money or United States Stocks, or interest paying State Stocks at their current value in the city of New York, but in no instance above their par value, an amount equal to twelve and one half per cent on the amount of the notes for circulation, which shall be delivered to such branch. And so from time to time as any branch, by the paying of an additional amount of its capital stock, or by not having received the amount of notes for circulation to which it was previously entitled, shall receive an additional amount of notes for circulation; such branch shall deposit with the Bank twelve and one half per cent on the amount of notes so received; and the stocks and money so deposited shall be denominated the "Safety Fund," and shall be invested as hereinafter provided, and held by the Bank as the property of said branch, in trust for the benefit of the several branches of the State Bank of Iowa, and as a fund for the redemption of the notes of circulation of any one or more of said branches that may fail to redeem its notes, to be applied to that purpose in the manner pointed out in this act.

Branches deposit stocks as a Safety Fund for the redemption of notes.

Bank holds the stocks.

SEC. 8. All money so deposited or paid to the Bank on account of the Safety Fund by any branch, shall be under the direction of said Bank, invested either in interest paying Stocks of States or of the United States. Each branch shall be entitled to receive the interest ac-

ing on the stocks in which its portion of the Safety Fund shall have been invested, and in case of the insolvency of any branch, the stocks in which the money of such branch shall have been invested as aforesaid, if the proceeds of such stock shall be sufficient to redeem its outstanding notes of circulation, shall as far as practicable be first converted into money and applied to that purpose, before any part of the Safety Fund belonging to other branches, shall be so applied.

Branches receive the interest.

Insolv't branch's stocks first convert'd into money.

SEC. 9. The State Bank of Iowa shall not furnish to any branch, circulating notes to an amount bearing a greater proportion to the capital stock of said branch actually paid in and at the time remaining undiminished by losses, or withdrawal, than the proportion hereinafter specified, that is to say: On the first hundred thousand dollars, or any lesser amount of its capital, not more than twice the amount of such capital, on the second hundred thousand dollars, or part thereof, not more than one and three quarters the amount of such capital, over one hundred thousand; on the third hundred thousand dollars or part thereof, not more than one and a half the amount of such capital, over two hundred thousand; nor shall said Bank furnish to any branch circulating notes of any other denomination than of one dollar, two dollars, three dollars, five dollars, ten dollars, twenty dollars, fifty dollars and one hundred dollars. Of the notes furnished to any branch not more than ten per cent of the amount shall be in notes of one dollar each, not more than ten per cent in notes of two dollars each, and not more than twenty-five per cent shall be in notes of all denominations under five dollars, and not more than fifty per cent in notes of all denominations under ten dollars.

Bank furnishes notes.

Twice the first hundred thousand.

One and three fourths times the second hundred thousand.

One and a half times the third hundred thousand.

The per cent of small notes furnished each branch.

SEC. 10. If any branch of the State Bank of Iowa shall refuse to pay its notes of circulation, or any of them, in gold or silver coin, the lawful currency of the United States, on which payment shall be lawfully demanded at its banking house or customary place of doing business, during the usual banking hours, such branch shall be deemed to have committed an act of insolvency, and thereupon all its property, credits, securities, liens and

Branch refusing to redeem in specie declared insolvent, and State B'k takes possession.

May redeem in silver only to amount of legal tender.

Notes to \$100 one demand.

assets of every description shall forthwith vest in and the property, credits, securities, liens and assets of the State Bank of Iowa, for the uses and purposes declared in this act. And the said branch shall only be allowed to make payment of any such lawful demand in silver coin when the sum so demanded does not exceed the amount of such demand which silver coin is a legal tender according to the laws of the United States, and when payment shall be demanded on more than one of its notes at the same time the aggregate amount of such notes so presented for payment to the amount of one hundred dollars shall be considered but one demand.

State Bank appoints an examining Com. and receivers for insolvent branch.

SEC. 11. The State Bank of Iowa, on receiving information that any branch has committed such act of insolvency, shall forthwith appoint a committee of one or more of its Directors, or others, who shall make immediate enquiry into the truth of such information, and report thereon to the Bank; and if the Bank shall be satisfied from the report of the committee, that such branch has suspended the payment of its notes in gold and silver as provided in section ten, (10) it shall forthwith appoint a suitable receiver, or receivers, who shall take immediate possession of the books, records, money, choses in action and property of such branch, of every description, and hold the same for the joint use of the other branches of the State Bank of Iowa, and the creditors of the failing branch, and the State Bank of Iowa shall immediately provide money and place the same in such solvent branch or branches, as may be most convenient for the purpose of redeeming the notes of such failing branch, and shall give public notice thereof in some newspaper printed in the place where such failing branch is located, also in some newspaper of general circulation published in Iowa City.

Give public notice.

Solvent branch's make up losses of insolvent branch.

SEC. 12. Each solvent branch shall contribute in the ratio of the circulation to which it is entitled, to the sum necessary for redeeming the notes of the failing branch as provided in the preceding section, on the requisition of the State Bank of Iowa, and may be remunerated for such contribution from the Safety Fund, as soon as

may sufficient can be raised from that fund, by a sale or hypothecation of the stock, funds, or other securities lying thereto.

Reimbursed from Safety Fund.

Sec. 13. The receiver or receivers appointed as provided in the eleventh section, shall be required to give in such sum, and such securities as the State Bank of Iowa, or Executive Committee, shall judge sufficient, under the direction of said Bank, shall proceed to take up the affairs of such branch, and convert its assets into money; the money so made shall be applied:

Receivers give bond.

First: To reimburse all moneys which shall have been advanced by the several branches, for the redemption of the notes and bills of the insolvent branch, and which have not have been previously reimbursed from the Safety Fund.

Reimburse all moneys from branches.

Second: To reimburse all moneys advanced from the Safety Fund, other than moneys derived from that portion of the Safety Fund furnished by the failing branch.

Reimburse the Safety Fund.

Third: To the payment and discharge of all the remaining liabilities of such branch: And

Pay the liabilities of insolvent,

Fourth: The residue shall be divided among the stockholders of the failing branch, in proportion to the stock by them respectively held.

Stockholders take what is left

Sec. 14. If any branch against which the State Bank of Iowa shall have instituted proceedings on account of the supposed act of insolvency as prescribed by the eleventh section of this Act, shall deny having committed such act of insolvency, such branch may apply to the court of competent jurisdiction for a writ of injunction to said State Bank of Iowa, to suspend all further proceedings against such branch as an insolvent Bank;

Branch may enjoin the State Bank,

and such court, after citing said State Bank of Iowa to appear and show cause why such writ should not be granted, and after the finding of a jury that such branch has at all times continued, and still continues to redeem gold and silver coin, its notes of circulation, shall issue an order enjoining the State Bank of Iowa from instituting further proceedings against such branch on account of the supposed act of insolvency on which such proceedings were instituted, and thereupon all the property

Prove redemption in specie, and receive its assets from State B'k.

and assets of such branch shall be restored to its Directors.

SEC. 15. If the State Bank of Iowa shall, in any case, fail to proceed in the manner prescribed in the foregoing sections of this Act, in providing for the payment of the outstanding notes of circulation, and in closing the affairs of any branch that shall have committed an act of insolvency, the holder of any of its notes of circulation, or other creditor of such branch, may, in case of refusal of such notes of circulation or other claim has been refused when lawfully demanded, and remains unapplied to any court of competent jurisdiction for its command, apply to any court of competent jurisdiction for its commanding the State Bank of Iowa so to proceed; it shall be the duty of such court, after citing such Bank to appear and show cause why such writ should not be issued, and upon the finding of a jury that such act of insolvency has been committed, to issue their writ commanding said Bank forthwith to proceed in the manner pointed out in the preceding sections of this Act, to provide for the payment of the outstanding notes of circulation of such branch, close up its affairs, and make application of its assets.

SEC. 16. That if any branch shall neglect or refuse to comply with any order of the State Bank of Iowa requiring such branch to reduce its circulation or of liabilities, or provide a larger amount of specie or of means, or to pay in its stock, or to do, or to cause to be done, any other matter or thing which said Bank may deem necessary for the security of such branch, or any other branch or branches, said Bank or any Director thereof, acting for said Bank, may apply to any Judge of the Supreme Court or District Court, or any Judge of a superior Court, or to any Judge of any other Court not inferior to the District Court, by petition, in which the State Bank of Iowa shall be made petitioner, and the branch implicated defendant, setting forth the substance of such order, or orders, and such neglect or refusal on the part of the branch, its officers or agents to comply therewith; and if the President, Vice-President or any Director of the Bank, shall make affidavit of truth of the facts therein stated, it shall be the duty

If State B'k fails to proceed against insolvent any holder of notes may apply to a court for a writ to compel it.

A branch refusing to reduce circulation, increase specie, pay in stock, or obey the State B'k, may be enjoined by any district or higher court, on petition of B'k or any dist. thereof.

Judge to allow an injunction, and to enjoin such branch, its officers and agents, and all others in its employment, or connected therewith, from doing, or suffering, or permitting to be done, any business whatever as a branch, and from intermeddling with, or in any manner disposing of, the books, papers, moneys, choses in action, real estate, or property of the branch, until the further order of the Supreme Court as soon as an injunction is allowed.

Sec. 17. Upon the allowance of such injunction, the books, credits, securities, liens and assets of every branch, by description, of such branch, shall forthwith vest in the State Bank of Iowa, who shall appoint a receiver to take possession of the same as provided in the eleventh section of this Act. A certificate of appointment of such receiver, by the Judge, or Court, or clerk thereof, making true copy hereof, shall be sufficient authority to him to take possession of the books, property and rights of every branch, by description, of such branch, and shall be full authority to the Sheriff of the county where the branch is located, to take and give full possession of such books, property, and rights, with the aid of the county, if required; and the Bank receiver shall be governed by the provisions of this Act as provided in cases of suspension; and upon the dissolution of such injunction, or a discontinuance of such suit by the Bank, all the rights and property of such branch shall be restored to and vest in such branch.

Injunction allowed, receiver takes possession of property of branch.

Sec. 18. Natural persons, not less in number than five, may associate and form branches of the State Bank of Iowa, for the purpose of carrying on the business of banking, each at such place in this State as shall be designated in the certificate hereinafter required to be made, subject to the contingencies, restrictions, conditions and liabilities prescribed in this Act.

Not less than five persons may form a branch.

Sec. 19. Persons associating to form a branch shall, before their hands and seals, make a certificate, which shall specify.

First: The name assumed by such branch, and by which it shall be known in its dealings, in which name shall be included the name of the city, village or town in which its banking operations shall be carried on.

Certificate of name of branch.

Sheriff gives him full possession and he proceeds according to this law.

Second : The amount of the capital stock of such branch and the number of shares into which the same divided.

Third : The name and place of residence and the number of shares held by each member of the Company.

Fourth : The time when such company shall have been formed.

Which certificate shall be acknowledged before a Justice of the Peace or Notary Public, and shall be recorded by the Recorder of the county where such branch is to be established, in a book to be kept by him for that purpose, which shall at all times during office hours be kept open for the inspection of any person wishing to examine the same; one copy of which certificate, duly certified, shall be transmitted to the Secretary of State, who shall record and carefully preserve the same in his office and another to the Bank Commissioners in this State, named, until the organization of the State Bank of Iowa and thereafter to said Bank.

SEC. 20. The officers of each branch shall at the expiration of every month, cause to be prepared a statement of the number, names and place of residence of each stockholder in such branch, also the amount of stock owned by each, and the date of the transfers of any stock with the names of the transferer and transferee, one copy of which statement shall be posted up in some conspicuous place in the Bank, and one copy shall be caused by the Bank to be filed in the office of the Recorder of deeds in the county wherein such branch is located, which last mentioned copy or a certified copy of the same under the hand of the Recorder shall be prima facie evidence in any court of justice in this State in a suit between the branch or State Bank of Iowa and any third person.

SEC. 21. No branch shall be permitted to commence or carry on the business of banking under this act, unless its capital stock shall be at least \$50,000, nor shall the capital stock of any such branch ever be increased to exceed \$300,000.

At least fifty per cent of the capital stock of each branch shall be paid in gold and silver coin, and shall be in the

actual possession and bona fide the property of the branch at the time of the commencement of its banking business, and the remainder of the capital stock of such branch shall be paid in gold and silver as aforesaid in installments, each of at least ten per cent on the whole amount of capital subscribed, as frequently as once in every four successive months, from the time of commencing business until the whole amount of such capital shall be paid up. *Provided*, That the Directors may postpone the payments of the deferred installments, or any part thereof, to the branches when satisfied that the public interest does not require them to be paid as frequently as above provided for.

50 per cent in specie paid in at commenc'mt.

Remainder paid in.

SEC. 22. If any shareholder or his assignee shall fail to pay any installment on his stock when the same shall be required to be paid, the branch may sell said stock at public auction having given three weeks previous notice thereof in a newspaper published in the county where the branch is located, (and having mailed a written notice to such delinquent shareholder or his assignee) to any person who will pay the highest price therefor, not less than the amount unpaid thereon; and the excess, if any, after paying the expenses of the sale, shall be refunded to the delinquent stockholder.

Any stockhold'rs failing to pay his installm'ts, his stock sold after notice is given.

If no bidder can be found who will pay for such stock, the amount unpaid thereon to the branch, and costs of advertisement and sale, the amount previously paid shall be forfeited to the branch, and such stock may be subsequently sold in such manner as the branch may order.

If stock cannot be sold it is forfeited to branch

The capital stock of each branch shall be divided into shares of one hundred dollars each, and a stock book shall be kept by each Branch Bank, showing who are the stockholders, and what amount is held by each individual or company, which stock shall be assignable only on the books of the branch in such manner as its by-laws shall prescribe, but no shareholder shall have power to sell or transfer any shares held in his own right for the purpose of escaping liability when a Bank is involved, or so long as he shall be liable either as principal, debtor, surety, or otherwise, to the branch for any

Record of shares kept in stock book.

Stock transferrable except when bank is involv'd or holder indebted to B'k.

debt, nor shall such shareholder, when liable to the branch for any debt that is overdue, be entitled to receive any dividends, interest or profit on such shares so long as such liability shall continue, but all such dividends, interest or profits shall be retained by the branch and applied to the discharge of such liabilities.

Loans secur'd by personal property only. SEC. 23. No branch shall take as security for any loan or discount, a lien on any part of its capital stock, or any other than personal security and the same security, both in kind and amount, shall be required of shareholders, as of persons not shareholders; and no branch shall be the holder or purchaser of any portion of its capital stock, or of the capital stock of any other incorporated company, unless such purchase shall be necessary to prevent loss upon a debt previously contracted in good faith, on security which at the time was deemed adequate to insure the payment of such debt, independent of any lien upon such stock; or in case of forfeitures of stock for the non-payment of installments due thereon, as provided in the twenty-second section; and stocks so purchased shall in no case be held by the branch so purchasing for a longer period of time than six months, if the same can be sold for what the stock cost, or at par.

No branch shall buy its own or any oth'r stocks.

One vote to each share. SEC. 24. In all elections of Directors, and in deciding all questions at meetings of the stockholders, each share shall entitle the owner thereof to one vote; stockholders may vote by proxies duly authorized in writing, but no officer, clerk, teller or book-keeper of the branch shall act as proxy, and no stockholder whose liability to the branch is past due and unpaid shall be allowed to vote.

Proxies allowed, but no officer shall act as such.

No. of Directors and qualification. SEC. 25. The affairs of each branch shall be managed by not less than five nor more than nine Directors.— Every Director shall be a citizen of the United States, and shall during his whole term of service reside in this State.

Directors take oath. Each Director shall take an oath that he will, so far as the duty devolves on him, diligently and honestly administer the affairs of the branch, and not knowingly violate or willingly permit to be violated any of the pro-

visions of this Act; that he is a bona fide owner in his own right, of the stock standing in his name on the books of the branch, and that the same is not hypothecated, or in any way pledged as security, for any loan obtained or debt owing; which oath, subscribed by himself and certified to by the officer before whom it is taken, shall be filed and carefully preserved in the office of the Recorder of the county in which the branch is located; but no person shall be President or Director of more than one branch at the same time.

Oath filed with Co. Recorder.

SEC. 26. The stockholders collectively of any branch, shall at no time be liable to such branch, either as principals, debtors or sureties, or both, to an amount exceeding three-fifths part of the capital stock of such branch, then actually paid in, and remaining as capital stock, nor shall the Directors, collectively, be so liable to an amount exceeding one-fifth part of the stock actually paid in, standing in their names, and of which they are, collectively, the bona fide owners in their own right.

Stockholders collectively not to owe over three fifths of amount of paid-in capital.

Directors not more than one fifth.

SEC. 27. The Directors of any branch, first elected, shall hold their places until the first Monday in January next thereafter, and until their successors shall be elected and qualified; all subsequent elections shall be held annually on the first Monday of January, and the Directors so elected shall hold their places for one year, and until their successors are elected and qualified; any Director removing from the State, or ceasing to be owner of the requisite amount of stock, shall thereby vacate his place. Any vacancy in the Board shall be filled by appointment by the remaining Directors; the Director so appointed shall hold his place until the next annual election; and if, from any cause, an election of Directors shall not be made at the time appointed, the branch shall not for that cause be dissolved, but an election may be held on any subsequent day, thirty days notice thereof having been given in a newspaper printed in the county where the branch is located.

Election of Directors and terms of office.

Vacancies.

How filled.

SEC. 28. Every branch authorized to carry on the business of banking under this Act, shall be held and adjudged to be a body corporate, with succession, from

Each branch a corporate body till 1878.

the date of its certificate of association until the first day of July, A. D. 1878, and thereafter until its affairs can be closed; and by its corporate name shall be competent to contract, prosecute and defend actions of every description, as fully as natural persons; and process against such branch may be served upon its President or Cashier, or by leaving a copy thereof at its usual place of business, during the usual business hours.

Powers.

May transact
general banking
business.

Each of said branches shall, during the term aforesaid, if so long it shall comply with the provisions of this Act, have power to issue notes for circulation furnished it by the State Bank of Iowa, to loan money, buy, sell and discount bills of exchange, notes, and all other written evidences of debt, except such as it shall be prohibited by this Act, from buying, selling and discounting; but no such loan shall be made on any note, bill of exchange or other evidence of debt having more than four months to run before maturity; shall have power to receive deposits; buy and sell gold and silver coin and bullion; collect and pay over money, and transact all other business properly appertaining to banking, subject, however, to the provisions and restrictions of this Act; may acquire, hold and convey such real estate as may be necessary for the convenient transaction of its business, and no more; but may, however, acquire title to any real estate pledged to secure any debt previously contracted, or purchased on an execution or order of sale, to satisfy any judgment or decree in its favor, or which shall have been conveyed to it in payment of any previous debt, but shall not hold any real estate so acquired longer than in the judgment of the Board of Directors, is necessary to save the said branch holding such real estate from loss, and it is hereby made the duty of the Board of Directors of each branch to offer any real estate so acquired for sale at least once in each year, first giving thirty days notice in some newspaper published in the county where such real estate is situated, of the time and place of such sale, if any newspaper be published in such county, and if not, then in some newspaper published the nearest thereto; and at such sale, if the amount

Hold real estate.

bid for such real estate be sufficient to reimburse the said branch in the amount for which such real estate was taken by the branch, with interest and costs, then it shall be the duty of the Board of Directors of such branch to sell and convey such real estate, but not otherwise, unless in their judgment it be deemed necessary for the interest of the said branch to do so.

SEC. 29. No branch shall at any time issue or have in circulation any note, draft, bill of exchange, acceptance, certificate of deposit, or other evidence of debt, which, from its character or appearance, shall be calculated or intended to circulate as money, other than such notes of circulation as are by this act described, and which such Bank is by this act authorized to issue for the purpose of being circulated as money.

Branch shall not circulate any other notes than their own.

SEC. 30. Each branch shall receive at par at the office or banking house of such branch, in payment of debts due at such branches, for notes of hand, bills of exchange, or other evidence of debt, discounted or purchased by, or belonging to such branch, the notes of circulation issued by any other branch of the State Bank of Iowa.

The branches must take each other's notes at par.

SEC. 31. Each branch shall at all times have on hand in gold and silver coin in its vault, an amount equal to at least twenty-five per cent. of the amount of its outstanding notes of circulation; and whenever the amount of its outstanding notes of circulation shall exceed the above named proportion, no more of its notes shall be paid out, or otherwise put in circulation by such branch, nor shall such branch increase its liabilities by making any new loans or discounts, other than discounting or purchasing bills of exchange, payable at sight, nor make any dividend of its profits, until the required portion between its outstanding notes of circulation and gold and silver coin on hand shall be restored.

Branch have 25 per cent specie on hand.

Shall not issue notes with a less amount in safe.

SEC. 32. Each branch of the State Bank shall be required to keep in its vaults over and above the amount required to be kept for the protection and redemption of its circulation, as required in the last preceding section, at least twenty-five per cent. of its current deposits,

Branch keep 25 per cent of deposits on hand.

No interest on deposits. and shall be prohibited from paying interest on current deposits.

Branch must not be in debt over two-thirds of its capital stock.

SEC. 33. No branch authorized under this act shall at any time be indebted or in any way liable to an amount exceeding two-thirds of its capital stock at such time actually paid in, and remaining as capital stock undiminished by losses or otherwise, except on the following accounts—that is to say:

1st. On account of its notes of circulation.

2nd. On account of moneys deposited with or collected by such branch.

3rd. On account of bills of exchange or drafts drawn against money actually on deposit to the credit of, or due to such branch.

4th. Liabilities to its stockholders on account of money paid in on capital stock, dividends thereon, and undivided profits.

Nor shall any branch, either directly or indirectly, pledge, hypothecate, or exchange any of its notes of circulation for the purpose of procuring money, to be paid in on its capital stock, nor pledge or hypothecate directly or indirectly, any of such notes to be used in its ordinary banking operation.

SEC. 34. No branch shall, during the time it shall continue its operations as a branch, withdraw or permit to be withdrawn, either in form of dividends or loans to stockholders, for a longer period of time than four months, or in any other manner, any portion of its capital stock; and if losses shall at any time have been sustained by any branch, equal to, or exceeding its undivided profits then on hand, no dividends shall be made, and no dividends shall ever be made by any branch while it shall continue its banking operations to an amount greater than its nett profits then on hand, deducting therefrom its losses and bad and suspended debts; and all debts due and unpaid for a period of six months, unless the same shall be well secured, and shall be in the process of collection, shall be considered bad or suspended debts, within the meaning of this section.

SEC. 35. The Directors of each branch shall semi-

Notes not to be exchanged for capital stock.

Capital stock not withdrawn.

Dividends declared only on nett profits.

annually on the first Monday in May and November, declare a dividend of so much of the nett profits of the branch as they shall judge expedient and as shall be approved by the State Bank; and on each dividend day the Cashier shall make a full, clear and accurate statement of the condition of the branch as it shall be on that day, after declaring the dividend, which shall be verified by the oath of the Cashier, President, and two of the Directors; and similar statements verified in like manner, shall also be made on the first Monday in each month in each year, which statement shall contain:

Semi-annual dividends.

Cashier's bank statement showing—

1st. The amount of the capital stock actually paid in, and then remaining as the capital stock of the branch.

The capt'l stock,

2d. The amount of the bills or notes of the branch then in circulation, specifying the amount of each denomination.

Bills in circulation,

3d. The greatest amount in circulation at any time since the making of the last previous statement, as shall have been exhibited by the weekly statements of the Cashier, specifying the time when the same occurred.

Greatest circulation at one time,

4th. The amount of debts of every kind due to the branches of the State Bank of Iowa, the amount due to other Banks of the State, and the amount due to Banks not of this State.

The debts,

5th. The amount due to depositors.

The deposits,

6th. The total amounts of debts and liabilities of every description, and the greatest amount since the making of the last previous statement, specifying the time when the same occurred, as exhibited by the weekly statement of the branch.

The debts of all kinds,

7th. The total amount of dividends declared on the day of making the statement.

The dividends,

8th. The amount of gold and silver coin and bullion belonging to such branch and in its possession at the time of making the statement, designating the amount of each.

The gold and silver,

9th. The amount subject to be drawn at sight, then remaining on deposit with solvent Banks, or Bankers of the country, specifying each city or town, and the amount deposited in each.

The exchange,

10th. The amount then on hand, of bills or notes issued by branches of the State Bank of Iowa, the amount issued by other Banks of this State, and the amount issued by Banks not of this State.

11th. The amount of balances due from branches of the State Bank of Iowa, the amount due from other Banks of this State, and the amount due from the Banks not of this State, excluding in the latter case, deposits in the cities of New York, Philadelphia, Boston, Baltimore, and other cities and towns, subject to sight drafts.

12th. The amount on hand of bills, bonds, notes, and other evidences of debt, discounted or purchased by the branch, specifying particularly the amount of suspended debts, the amount considered good, the amount considered doubtful, and the amount in suit or judgment.

13th. The value of real and personal property held for the convenience of the branch, specifying the amount of each.

14th. The amount of real estate taken in payment of debts due the branch.

15th. The amount of undivided profits of the branch.

16th. The total amount of the liabilities to the branch by the Directors thereof, collectively, specifying the gross amount of such liabilities as principal debtors, and the gross amount as endorsers or sureties.

17th. The total amount of liabilities to the branch of the stockholders thereof, collectively specifying the gross amount of such liabilities as principal debtors, and the gross amount as endorsers or sureties; which statement shall be forthwith transmitted to the State Bank of Iowa, and the Auditor of State.

An abstract of every statement, showing the condition of the branch, shall be immediately published by the branch in some newspaper printed in the county where such branch is situated, a copy of which statement shall be sent to each branch of the State Bank of Iowa.

SEC. 36. The General Assembly shall never impose any greater tax upon property employed in banking un-

The currency,

The balances in banks,

The bills receivable,

The banking house and fixtures,

The real estate,

The undiv'd profits.

The liabilities of Directors.

The liabilities of stockholders.

Statement published.

der this act, than is or may be imposed upon the prop- Tax on Bk stock
erty of individuals.

SEC. 37. Each branch may take, receive, or charge on any loan or discount made, or upon any note or bill of exchange, or other evidence of debt, discounted or purchased by them, interest at the rate of ten per centum per annum on the amount of any such note, bill of exchange, or other evidence of debt so discounted or purchased and no more, until the first day of January, 1863, after which time no more than eight per cent shall be so taken, received or charged. *Provided*, however, that interest may be reserved or taken in advance at the time of making the loan or discount, according to the usual rates of banking, or as calculated in Rowlet's tables; and the knowingly taking, reserving or charging on any debt or demand discounted or purchased by any branch, a rate of interest greater than that allowed by this section, shall be held and adjudged a forfeiture of such debt or demand, but the purchase of a bona fide bill of exchange or note payable at another place than the place of such purchase or discount, and the taking or reserving interest thereon at the rate aforesaid, from the time of such purchase or discount until the maturity of such bill or note, shall not be held usurious, although exchange on the place where it is made payable is at the time of such purchase or discount, worth a premium; nor shall the discount or purchase of a bona fide bill or note, payable at a place, between which and the place of discount or purchase, there may be a difference in exchange, and the taking in addition to the rate of interest aforesaid the rate of exchange between such places, be deemed usurious: *Provided*, that no loan to, or discount in favor of any Director or stockholder in which more than such interest as is allowed in this section shall be taken, reserved, or charged, shall be forfeited, but the same shall be valid against such party: *Provided, further*, that in no case shall more than the current rate of exchange between such places, be taken. Interest and discount at 10 per cent till 1863.
Bk discount allowed.
Usury forfeits the whole debt.
Purchase of exchange not usurious.
Loan to Director &c., not forfeited.
Rate of exchange

SEC. 38. The total liabilities of any person, or of any company or firm (including in the liabilities of a compa-

No one person or firm can be indebted more than one-fourth of the circulation.

ny or firm, the liabilities of the several members thereof,) to any branch as acceptor or acceptors of bona fide bills of exchange payable out of this State, shall at no time exceed one-fourth of the amount of the notes which such branch is authorized to circulate, exclusive of liabilities as acceptor or acceptors, one-tenth, and exclusive of all liabilities on such bills of exchange one-twentieth part of the amount of such notes.

No branch shall put doubtful notes into circulation.

No branch shall at any time pay out on loans or discounts, or in purchasing drafts or bills of exchange, or in payment of depositors, nor shall it in any mode put in circulation the notes of any Bank or Banking Company which notes shall not at that time be receivable at par in payment of debts by the branches so paying out or circulating such notes, nor shall it knowingly pay out or put in circulation any notes issued by any Bank or Banking Company which at the time of such paying out or putting in circulation is not redeeming its notes in gold and silver.

Bills receivable, made payable to branch only.

All notes, bills, and other evidences of debt, excepting bills of exchange, discounted by any branch, shall be made by the terms thereof, or by special endorsement, payable solely to such branch, and no such evidence of debt shall be assignable except for collection, or for the following purposes :

When assignable

1st. To pay and redeem the circulating notes of such branch.

2nd. To pay other liabilities of such branch, and after such liabilities shall have been discharged ;

3rd. To divide among the stockholders on their stock.

No evasion of the usury law.

No branch shall be permitted, in receiving payment at its banking house, or other places, than where the same was payable, of any note, bill, or other evidence of debt, due to such branch, and payable at a place other than its banking house, to receive in addition to the amount of such debt and the legal interest due thereon, any sum whatsoever as premium, exchange or damages.

Legal costs allowed.

Provided, That nothing in this section contained, shall prevent such branch from receiving damages allowed

by law upon any bona fide bill of exchange, duly protested for non-acceptance or non-payment.

SEC. 39. All transfers of notes, bonds, bills of exchange, and other evidence of debt owing to any branch, or of deposits to its credit; all assignments of mortgages or other securities on real estate, or of judgments or decrees in its favor; all deposits of money, bullion, or other valuable thing for its use, or for the use of any of its stockholders or creditors; all payments of money made after the commission of an act of insolvency, or in contemplation thereof, with a view to prevent the application of its assets in the manner provided by this act, or with a view to the preference of one creditor to another, except in payment of its circulating notes, shall be held utterly null and void.

All transactions for preferred creditors, or for disposing of assets, declared null and void.

SEC. 40. If the Directors of any branch shall knowingly violate, or knowingly permit any of the officers, agents or servants of such branch to violate any of the provisions of this act, all the rights, privileges and franchises of such branch shall thereby be forfeited; such violation shall, however, be determined and adjudged by a Court of competent jurisdiction, agreeably to the laws of this State and the practice of such Court, before the corporation shall be declared dissolved, and in case of such violation, every Director who participated in, or assented to the same, shall be held liable in his personal and individual capacity for all damages which the branch, its stockholders, or any other persons, body politic or corporate shall have sustained in consequence of such violation.

Any violation of this act punished with forfeiture of privileges

Directors individually responsible.

SEC. 41. Every President, Director, Cashier, Teller, Clerk or Agent of any branch, who shall embezzle, abstract, or wilfully misapply any of the moneys, funds, or credits of such branch, or shall without authority from the Directors, issue or put in circulation any of the notes of such branch, or shall without such authority, issue or put forth any certificate of deposit, draw any order or bill of exchange, make any acceptance, sign any note, bond, draft, bill of exchange, mortgage, or other instrument of writing, or shall make any false entry on

Dishonesty of bank officers punished.

any book, report or statement of the branch, with an intent in either case to injure or defraud such branch, or to injure or defraud any other company, body corporate or politic, or any individual person, or to deceive any officer or agent appointed to inspect the affairs of any branch, or shall make, or shall omit to make, or shall advise or consent to the making of any report or statement required by this act, in such manner as shall be designed to evade the provisions of this act, shall be deemed guilty of a felony, and upon conviction thereof, shall be confined in the Penitentiary at hard labor not less than one nor more than twenty years.

Stockholders individually liable.

Transfer of stock does not change liability.

SEC. 42. Stockholders in branches, shall each be individually and severally liable to the creditors of the branch of which they are the stockholders, over and above the amount of stock by them held, to an amount equal to their respective shares so held for all its liabilities, accruing while they remain stockholders and no transfer of stock shall effect such liability, and should any such branch become insolvent, and its assets be found insufficient to pay its debts and liabilities, its stockholders may be compelled to pay such deficiency in proportion to the amount of stock owned by each, and should the whole amount for which stockholders are individually responsible, as provided in this section, be found in any case to be inadequate to the payment of all the residue of the debts of any branch after the application of its assets to the payment of such debts, then, the moneys due from stockholders on account of their individual liabilities as such, shall be distributed equally among all the creditors of such branch, in proportion to the amount due to each; the personal liability in this section provided for, is over and above the stock owned by stockholders, and any amount unpaid thereon.

Stockholders defined.

SEC. 43. The term stockholder or shareholder, as used in this act, shall apply not only to such persons as appear by the books of the association to be such, but also to every equitable owner of stock, although the same may appear on such books in the name of another person, and also to every person who shall have advanc-

ed the installments or purchase money of any stock in the name of any person under twenty-one years of age, and while such person remained a minor, to the extent of such advance and also to every guardian or other trustee, who shall voluntarily invest any trust funds in such stock, and no trust funds in the hands of such guardian or trustee shall be in any way liable under the provisions of this act, by reason of any such investment, nor shall the person for whose benefit any such investment may be made, be responsible in respect to such stock until thirty days after the time when such persons respectively become competent and able to control and dispose of the same; but the guardian or other trustee making such investment as aforesaid, shall continue responsible as a stockholder, until such responsibility devolves upon the person beneficially interested therein, and in respect to stock held by a guardian or other trustee under a transfer of the same by a third person, or under positive directions by a third person for such investment, the person making such transfer or giving such directions, and his executors and administrators shall, for the purpose of this act be deemed a stockholder, and the estate of such person, if he be deceased, shall be responsible for the debts and liabilities chargeable on such stock according to the provisions of this act.

By proxy.

Guardians stockholders.

Trustees stockholders.

Responsibility of Guardians.

SEC. 44. The General Assembly may alter or repeal this act at pleasure, in the manner provided in the Constitution of this State, but no act altering or repealing this act, shall impose any injustice or wrong upon the stockholders of any branch.

The Legislature may alter and repeal.

SEC. 45. Every branch shall have power to make all necessary and proper by-laws for the management and control of its business, and to fix and regulate the rate of charges for making collections, subject to be controlled therein by the State Bank of Iowa.

By-Laws of branches.

SEC. 46. No branch shall issue any notes intended for circulation as money, except the notes furnished for that purpose by the State Bank of Iowa, and all such notes shall be payable at the branch by which they are issued, in gold and silver coin, the lawful currency of

Notes issued redeemable in specie.

the United States, as provided for in section ten of this act, on demand; they shall be signed by the President or Vice President of the proper branch, and countersigned by the Cashier thereof, made payable to bearer, and shall be negotiable by delivery; all other evidences of debt, issued by any branch, shall be negotiable or transferable in the same manner as if issued by a natural person, and shall be binding on the branch, whether under seal or not; and all such evidences of debt, other than notes of circulation, shall be payable to the order of some person therein named.

Signed and countersigned.

Certificates made payable to order.

Special circulation of foreign bills prohibited.

SEC. 47. No branch shall put in circulation in this State, the bills or notes of any Bank or Banking Company out of the State, except such as are received in the usual course of business; nor shall any branch either directly or indirectly exchange its bills or notes intended to circulate as money with any bank or banking company out of the State, or with the agents of such bank, for the bills or notes of such bank or banking company, with a view to circulate the same in this State.

Persons forming a Bk shall give notice.

Stock Books opened.

Subscription of stock regulated.

SEC. 48. When any number of persons shall have associated together for the formation of a branch as provided for in section nineteen, they shall give twenty days public notice in some newspaper published in the town or city where it is proposed to establish such branch, of their purpose to open a book for the subscription of the Capital Stock of said branch, specifying the time and place thereof; such book shall be kept open for two successive days, between the hours of ten A. M. and two P. M. of each day, under the control and direction of such association, and shall be accessible to every person desiring to subscribe to stock of the proposed branch. On the first day no person, company or business firm, composed of one or more individuals shall be permitted to subscribe to more than ten shares, and on the second day to no more than fifty shares, unless at the time for closing the book on that day the aggregate amount of stock subscribed shall not exceed the amount of capital authorized in section twenty-one.

SEC. 49. The number of branches of the State Bank of Iowa shall not exceed thirty. The Board of Directors of the State Bank of Iowa may increase the capital stock of any branch whose capital does not equal three hundred thousand dollars, by authorizing such branch to receive at any time such additional subscription to its capital stock as will increase the same to any amount less than three hundred thousand dollars, if said board of directors shall be satisfied that such additional amount of capital is demanded by the public interest, and can be safely and profitably employed; but the aggregate capital of all the branches shall not exceed six millions of dollars. No branch shall be established in any town with a less population than five hundred, nor shall two branches be established in the same town or city.

No. of branches.

Stock of each branch.

Aggregate capital.

SEC. 50. The branches shall continue to exist so long as necessary for the settlement of their affairs, notwithstanding the repeal of this act; and no law shall ever be passed diverting or appropriating the assets of any such branch to any person other than to the payment of its debts and liabilities, and the distribution of the residue among its stockholders, in proportion to the stock by them severally owned.

The branches continued to wind up.

Appropriation of assets.

SEC. 51. To carry into effect the provisions of this act, C. H. Booth, of Dubuque County, E. H. Harrison, of Lee county, Ezekiel Clark, Johnson county, J. W. Dutton, of Muscatine county, Wm. J. Gatling, of Polk county, C. W. Slagle, of Jefferson county, Elishu Baker, of Linn county, William S. Dart, of Mahaska county, L. W. Babbitt, of Pottawattamie county, and Edward T. Edgington, of Lucas Co., shall be and they are hereby appointed commissioners, and they, or a majority of them, after taking an oath diligently, faithfully and impartially to perform the duties assigned them by this act, a certificate of which oath shall be filed and carefully preserved in the office of the Secretary of State, shall constitute a board, to be designated the Board of Bank Commissioners, which board shall continue until the organization of the State Bank of Iowa, as herein

Bank Commissioners.

Qualification.

Vacancies filled.

- provided for, and thereafter the duties which they are required to perform by this act shall be performed by the said bank; and if any of said commissioners shall refuse to serve, shall die or resign, his place shall be filled by appointment by the Governor. Hoyt Sherman, of Polk county, Benjamin Lake, of Clinton county and Elias H. Williams, of Clayton county, are hereby appointed directors of the State Bank of Iowa, on the part of the State, who shall have the same powers as the directors on the part of the bank, and who shall be paid by the State, and shall receive three dollars per day for the time actually engaged in their duties, and mileage the same as members of the General Assembly. The term of service of said directors shall be for two years and until their successors are elected and qualified. It shall be the duty of the General Assembly to elect three directors of the State Bank of Iowa at each regular biennial session. No person shall be eligible to the office of State director who holds any office or appointment under any of the branches or owns any stock in the same, and the acceptance of any office of trust or profit from any branch, or the acceptance of any stock in any branch by a State Director during his term of service shall be deemed a resignation, and the Governor shall fill by appointment the vacancy.
- Bank Directors.** Said commissioners shall meet at Iowa City, at such time, within thirty days after the adoption of this act, as shall be appointed by the Governor, who shall notify each member of his appointment, and of the time and place of meeting. They shall, when met, appoint one of their number to be their President, who shall, under the order of the board, sign all official documents; and they shall cause a fair and true record of all their official proceedings to be kept in a book to be provided for that purpose, which shall be delivered by the president of said board to the State Bank of Iowa, as soon as the same shall be organized.
- Compensation.**
- Terms of office.**
- Successors elected.**
- Eligibility.**
- Com's meet.**
- Choose Pres't.**
- Minutes of proceedings.**
- Com's examine certificates of branches.**
- SEC. 52.** The board of Bank Commissioners shall examine their certificates of the formation of branches transmitted to them, as required by this act, and shall,

by one of their own number, or other special agent appointed by them for that purpose, who shall not be a stockholder in any of the branches formed under this act, immediately proceed to examine the condition of each of the branches which shall have transmitted to said board the required certificate; and it shall be the special duty of such agent to carefully count and otherwise ascertain the amount of money paid in on account of its capital stock; to ascertain the name and place of residence of each of the directors of such branch, and whether their stockholders, directors and officers are men of responsibility and integrity, and entitled to the public confidence, and the amount of capital stock of which each is the bona fide owner; whether such branch has complied with all the requirements of this act, necessary to entitle the branch to engage in the business of banking; and shall cause to be made, and attested by the oath of a majority of the directors, and by the cashier of such branch, a statement of all the material facts necessary to enable the board of Bank Commissioners to determine whether such branch is lawfully entitled to commence the business of banking under the provisions of this act; and such agent shall immediately report to the board of Bank Commissioners such statement, and his proceedings in the premises.

Appoint agent to examine condition of branch, stock paid in, character of managers, if the law is complied with, to take acknowledgement of statement.

Report to Directors.

SEC. 53. If, upon a careful examination of the certificates of association, and the reports and statements of the special agents appointed to ascertain whether the branches so organized have complied with the provisions of this act, it shall appear that five or more such branches have been formed, and that their stockholders, directors and officers are men of responsibility and integrity, and entitled to public confidence, and that such branches are lawfully entitled to commence the business of banking, the commissioners shall certify the same to the Governor, and shall immediately notify each of said branches thereof; and within ten days after receiving such notice, each branch shall appoint, in such manner as the directors thereof shall prescribe, one person to be a director of the State Bank of Iowa.

Com's report to Governor.

Branches choose officers.

SEC. 54. The Governor, if he be satisfied that the law has in all respects been complied with, shall issue his proclamation, setting forth that such branches are authorized to commence and carry on banking, at the places severally designated in their certificates of association; which proclamation shall be recorded in the office of the Governor, and a copy of said record certified under the great seal of the State of Iowa, shall be prima facie evidence of the organization of such bank.

SEC. 55. The bank commissioners, and all agents appointed by them, shall each be entitled to receive for their services under this act, five dollars per day for every day necessarily employed in the discharge of their duties, and the same mileage as is received by the members of the General Assembly, to be paid by the State Bank of Iowa.

SEC. 56. This act shall take effect and be in force from and after its approval by a majority of all the electors of this State voting for and against it, at an election provided by law, and not otherwise.

Approved March 20th, 1858.

CHAPTER 88.

CHARTER OF DAVENPORT.

AN ACT to amend an Act entitled an Act to Incorporate the City of Davenport, and to amend the several Acts amendatory thereto.

SECTION 1. *Be it enacted by the General Assembly of the State of Iowa,* That so much of said Act and the several amendments thereto, as provides for a City Council consisting of a Mayor and Aldermen, requiring that the Board of Aldermen shall consist of two Aldermen from each Ward, is hereby repealed, and the terms of said several Aldermen are hereby terminated. The said City Council shall hereafter consist of a Mayor, a Board of Councilmen, and a Board of Aldermen. The Board of Aldermen to consist of twelve (12) members, chosen from