

Insurance of Bank Obligations in Michigan, 1836-1840

[ 1 of 2 ]

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MATERIALS REGARDING THE INSURANCE OF BANK OBLIGATIONS  
IN MICHIGAN, 1836-1842

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FEDERAL RESERVE BANK OF ST. LOUIS  
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STATUTORY PROVISIONS MICHIGAN GUARANTEE PLAN OF BANK OBLIGATIONS

(All references to Act of March 28, 1836, except as otherwise indicated)

A BANK OBLIGATIONS COVERED

Period: 1836- 1842  
Obligations covered: All debts (Sec. 4).

Percentage of total circulating notes and deposits covered by insurance: 100 (Sec. 4).

B ASSESSMENTS AND CONTRIBUTIONS IN BANK OBLIGATION INSURANCE PLAN

Initial contribution:

Annual assessments: 1/2 of 1 per cent of capital stock (except that held by State) to a maximum of 3 per cent. (Sec. 2 and 4)

Special assessment: If fund reduced, regular assessments renewed until restored to maximum. (Sec. 7)

C STATUTORY LIMITATIONS ON OPERATIONS OF INSURED BANKS

I Responsibility of Directors and Stockholders

Directors: Proportionate share of losses in case of fraudulent insolvency, every insolvency to be deemed fraudulent unless proved otherwise, incumbent on directors to repel by proof the presumption of fraud. (Sec. 27 and 28)

Directors of bank liable in individual capacity in full amount of real and personal property. (Sec. 25, Ch. XLVII, Mar. 15, 1837)

Stockholders: Liable to amount of stock held. (Sec. 25, Ch. XLVII, Mar. 15, 1837)

II Limitations on Loans and Investments

To officers and employees:

To directors: Not to exceed 1/6 amount association entitled to issue. (Sec. 28, Ch. XLVII, Mar. 15, 1837)

To stockholders:

Maximum to single borrowers: Not over 1/6 amount association entitled to issue. (Sec. 28, Ch. XLVII, Mar. 15, 1837)

Total Loans and discounts: Three times capital stock paid-in and actually possessed. (Sec. 24)

C STATUTORY LIMITATIONS ON OPERATIONS OF INSURED BANKS (cont.)

III Limitations on Ownership of Property

Banking house  
and fixtures:

As necessary for convenient transaction of business.  
(Sec. 26, Ch. XLVII, Mar. 15, 1837)

Time limit on  
real estate acquired  
by collection of debt:

Ownership of other  
real estate:

Forbidden (Sec. 26, Ch. XLVII, Mar. 15, 1837)

Ownership of  
corporate stock:

IV Limitations on Circulation, Deposits and Borrowings

Maximum deposits:

Maximum circulation: Three times capital stock paid in and actually possessed.  
(Sec. 24)

Rate of interest on deposits:

Maximum borrowings:

V Required Reserves

Total amount:

Proportion of reserves required to be actual cash:

Character of balance:

VI Limitations on Payment of Dividends

Percentage of earnings to be carried  
to surplus prior to dividends:

If losses exceed undivided profits,  
or in excess of net profits:

If reserve is impaired:

If capital is impaired:

D CHARACTER AND POWERS OF SUPERVISORY AUTHORITIES OVER INSURED BANKS

I Character of Supervisory Agency

Name of Board: Bank Commissioner of the State of Michigan (Sec. 15)

Composition and method of appointment: Appointed by governor with advice and consent of senate and house of representatives in joint vote. (Sec. 20)

II Opening of New Banks

Authority approving opening of new banks: Legislature

Conditions to be taken into consideration in approval of charters or issue of certificates to begin business: Compliance with provisions of Act. (Sec. 1-2, Ch. XLVIII, March 15, 1837)

III Examinations and Reports

Number of required examinations each year: Three (Sec. 15)

Additional examinations by supervisor: If required by three banks subject to the Act. (Sec. 16)

Minimum number of condition reports each year:

IV Character of Assets and Management

Circulation and liabilities:

Other powers:

V Closing and Liquidation of Banks:

Power to close for violation of law: Shall apply to court of chancery for injunction. (Sec. 18)

Power to close for unsatisfactory condition: Shall apply to court of chancery for injunction if insolvent. (Sec. 18)

Definition of insolvency: If circulation exceeds three times capital stock; or loans and discounts exceed three times capital stock; payment to bank fund three months overdue; one-half capital stock paid-in has been lost; payment of bills in specie suspended for 90 days; refuses to allow officers to be examined upon oath by commissioner. (Sec. 25)

Powers of liquidation: Receiver appointed by and responsible to court of chancery. (Sec. 10)

NOTES ON CHANGES IN THE BANKING LAW PASSED IN 1838. (MICHIGAN)

Section 1. (Old) "desirous of forming an association for transacting a banking business."

(New) "desirous of establishing a bank."

Old Sec.3.

(Old) "every association,"

(New) "every bank."

(Old) "30 percentum of such capital stock,"

(New) "30 per cent of each share of capital stock."

Old Sec.8. "10 percentum of each share,"

New Sec. 3. "30 percent of each share."

Old Sec.11. "The president and directors of such association shall before commencing operations, furnish good and sufficient security, to be approved by the treasurer and clerk aforesaid, to the auditor general," ~~changed to~~ Omitted.

New Sec. 8. "It shall be the duty of every banking association to cause to be posted and kept up, in some conspicuous part of its banking house, a true statement of the names of all its officers, agents and stockholders, together with an accurate statement of the amount of the stock owned by each stockholder respectively; and such association shall file a true copy of such statement in the office of the county clerk of the county where such association exists."

Old Sec.14. "

New Sec.10. Adds the following, "Provided, That the securities of every such banking association shall at no time be less than the amount which such association shall be authorized at any such to become indebted or to have outstanding or in circulation."

Old Sec.15

New Sec.11. Reads "'at least 10 percent thereon shall be paid in specie at the expiration of each succeeding year thereafter, until the whole stock shall have been paid in."

Old Sec.17.

New Sec.13. "or have outstanding is omitted." Reads "It shall not be lawful for any such banking association to issue or put in circulation as money at any time, "

Old Sec.32.

New Sec.28. Provision added "Provided, That no money shall be drawn from said fund, until the funds and liabilities of the directors and stockholders of any such association shall fail and prove insufficient to pay all debts due and owing for the same."

New Sec. 26. "All banking associations incorporated under the act to which this act as an amendment, shall, within ninety days from the passage of this act, give the security required by the Sixth section of this act, and shall in all other respects be subject to and governed by the provision of this act.

The above passed Dec. 30, 1837.

An Act to amend the act entitled "An Act to amend an act to organize and regulate banking associations, and for other purposes, and to suspend the operation of the same.

Be it enacted by the Senate and House of Representatives of the state of Michigan, That the act entitled "An act to amend an act to organize and regulate banking associations, and for other purposes," approved the 30th day of December A.D. 1837, be suspended for the period of one year from and after passage of this act, as to any banking association which has not gone into operation; and that the act to which said act is amendatory be suspended for the same period, as to any banking association whereof the capital stock has not already been subscribed, and ten percentum of which stock has not already been paid in to the treasurer, in pursuance of the Seventh section of the act last referred to; Provided, That one bank only may be established in the County of Chippewa, under said amendatory act, anything therein to the contrary notwithstanding.

Approved April 3, 1838.

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MICHIGAN

List of banks with charters annulled by legislative action in February 1842  
(From Laws of Michigan, 1842, pp. 56-62).

- 1 Millers' bank of Washtenaw
- 2 Shiawassee county bank
- 3 Michigan Centre bank
- 4 Bank of White Pigeon
- 5 Commonwealth bank
- 6 Branch county bank
- 7 Chippewa county bank
- 8 Bank of Augurn
- 9 Bank of Battle Creek
- 10 Bank of Miles
- 11 Commercial bank of Michigan
- 12 Bank of Adrian
- 13 Bank of Saline
- 14 Berrien county bank
- 15 Wayne county bank
- 16 Bank of Brest
- 17 Bank of Coldwater
- 18 St. Joseph county bank
- 19 Farmers' bank of Sharon
- 20 Jackson county bank
- 21 Farmers' bank of Sandstone
- 22 Clinton canal bank
- 23 Detroit and St. Joseph railroad bank
- 24 Merchants and mechanics' bank of Monroe
- 25 Lenawee county bank
- 26 Bank of Clinton
- 27 Huron river bank
- 28 Detroit city bank
- 29 Farmers' bank of Oakland
- 30 Bank of Oakland
- 31 Bank of Singapore
- 32 Shiawassee Exchange bank
- 33 Bank of Lapeer
- 34 Farmers and Merchants' bank of St. Joseph
- 35 Saginaw city bank
- 36 Farmers' bank of Homer
- 37 Bank of Manchester
- 38 Bank of Superior
- 39 Bank of Gibraltar
- 40 Farmers and mechanics' bank of Pontiac
- 41 Bank of Allegan
- 42 Grand river bank
- 43 Farmers' bank of Genesee county
- 44 Genesee county bank
- 45 Bank of Utica
- 46 Goodrich bank

- 47 Kensington bank
- 48 Bank of Marshall in the county of Calhoun
- 49 Bank of Clinton
- 50 Bank of Tecumseh
- 51 Erie and Kalamazoo Railroad bank
- 52 Bank of Washtenaw xxx
- 53 Bank of Ypsilanti
- 54 Bank of Monroe
- 55 River Raisin and Lake Erie Company
- 56 Bank of Michigan, and its branch at Kalamazoo
- 57 Michigan State Bank
- 58 Macomb county bank
- 59 Bank of Pontiac
- 60 Bank of Oakland county
- 61 Calhoun county bank
- 62 Bank of Constantine
- 63 - State Bank of Michigan

Said banks of Macomb, Pontiac, Oakland county, Calhoun and Constantine, are exempted in they comply with the requirements of the act of repeal of the suspension act, passed April 12, 1841, and continue to do a legitimate banking business.

*Receiver was appointed to be appointed for the Farmers and Merchants Bank of St. Joseph, at Centerville, in April 1839. (Laws of Michigan, 1839, p. 121).*

From Laws of Michigan, 1840

Acts of the Legislature of the State of Michigan passed at the annual session of 1840.

No. 66

An Act to abolish the office of bank commissioners, and for other purposes

Section 1. Be it enacted by the Senate and House of Representatives of the State of Michigan, That so much of an act, and all parts of acts of the legislature of this state, which create the office of bank commissioners, and define, prescribe, or in any manner relate to the duties of said office be, and the same are hereby repealed: Provided, provided, That the court of chancery shall be, and is hereby authorized to proceed in all suits and proceedings commenced therein, in the names of the bank commissioners, or either of them, against any bank or banking association subject to their visitation, with the same force and effect, in all respects whatsoever, as if the said office of bank commissioners had not been abolished: And provided further, That it shall be the duty of the attorney general of this state, whenever by the governor required to institute an examination into the condition and affairs of banks or banking associations in this state, and to do and perform all the duties now or hereafter required to be done and performed by said bank commissioners, and for that purpose he is hereby fully vested with all the powers, now or heretofore conferred upon said commissioners, or either of them.

Par. 2. This act shall take effect from and after its passage.

Approved, March 25, 1840.

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From Laws of Michigan, 1839, p. 121.

No. 66. An Act more effectually to protect the public against various frauds.

Sec. 5. No bank shall hereafter be established under or by virtue of the act entitled, "An act to organize and regulate banking associations," approved March 5th, 1837, and the act amendatory thereof; nor shall it be lawful for any bank or banking association established, or claiming to have been established under the provisions of said act, and which has not filed with the auditor general of this state the securities required by law, or which shall not have been organized and doing a regular and lawful banking business for at least six months immediately preceding the passage of this act, hereafter to issue or put in circulation any bank note, or to exercise any of the power and privileges of a bank or banking association under or by virtue of said act, except such as may be necessary for winding up its affairs...

From account of receipts and expenditures of the public money, from January 1, to November 30, 1839. (Laws of Michigan, 1840, p. 257).

Salaries of bank commissioners (in payments from general fund) \$1,438.95

From ~~State Treasurer's~~ Auditor General's Report, Nov. 30, 1841 (Laws of Michigan, 1842, p. 187).

"The bank fund was reported overdrawn four thousand one hundred and thirteen dollars, on the 30th November last. From a careful examination of the ~~books~~ old books, I became satisfied that a warrant for \$312.50, issued to K. Pritchette, had been twice entered to the debit of this fund. The correction of this error reduces the overdraft to three thousand eight hundred dollars and fifty cents, for which no provision has been made."

In State Treasurer's Report, dated December 1, 1843, an account of the bank fund is given with two entries: a debit to cash paid warrant of \$182.79, and a credit, by general fund, to meet warrant, of the same amount.

A statement of Bank Fund, year 1838 (From Laws of Michigan, 1839, p. 332.)  
 H. Howard, Treasurer, in account with Bank Fund

1837. Dec. 31.	To balance on hand this day		\$145.14
1838. Jan. 15.	Cash received of bank of Oakland	\$24.05	
	Farmers' and Mechanics' bank of Pontiac	1.23	
	Genesee county bank	1.70	
	Bank of Brest	<u>75.00</u>	101.98
Jan. 16.	Bank of Saline	12.74	
	Bank of Coldwater	<u>9.00</u>	21.74
Jan. 17	Bank of Marshall	27.94	
	Detroit city bank	4.10	
	Farmers' bank of Oakland	<u>1.23</u>	33.27
Jan. 23	Bank of Lapeer	5.13	
	Bank of Goodrich	<u>8.65</u>	19.78
" 24	Bank of St. Clair		143.28
Feb. 2.	Wayne county bank		7.80
5.	Saginaw city bank		2.05
Mar. 22.	Bank of Utica		23.21
10.	Bank of Gibraltar		150.00
26.	Bank of Ypsilanti	414.38	
	Farmers' bank of Homer	<u>188.92</u>	603.30
Apr. 5.	Bank of Constantine		65.83
			<u>\$1,311.38</u>
1838. Jan. 13.	By cash paid J. M. Burger, printing bonds and mortgages for use of the bank commissioners		51.00
	Due the bank fund		<u>\$1,260.38</u>

Surplus deposited to be refunded by the treasurer.

provisions of an act to provide for the review of the seat of justice of the county of Branch, approved March 21, 1836, as remains in said treasury, shall be refunded to the persons depositing the same.

Approved March 14, 1837.

[No. XLVII.]

AN ACT to organize and regulate banking associations.

Mode of proceeding in forming an association.

Sec. 1. *Be it enacted by the Senate and House of Representatives of the State of Michigan*, That whenever any persons, resident of any of the counties of this state, shall be desirous of forming an association for transacting banking business, such persons shall make a written application to the treasurer and clerk of the county where such business is proposed to be transacted; which application shall set forth the amount of the capital proposed to be used by such association, and the place proposed to locate the office for the transaction of the business of said association; and on application made as aforesaid by at least twelve freeholders residents of any such county, it shall be the duty of any such treasurer and clerk to cause public notice thereof to be given, for at least thirty days, in some public newspaper published in such county; and if no newspaper be published therein, then notice shall be given in some paper published in an adjoining county, for the like period, and by posting up copies thereof in twelve of the most public places in such county, which notice shall set forth the amount of capital proposed to be used by such association, and designate the time and place of opening books to the capital stock thereof.

Notice.

Treasurer, his bond.

Sec. 2. It shall and may be lawful for the applicants, or a majority of them, to appoint a treasurer for the time being, who shall give a bond in the sum of thirty thousand dollars, with good and sufficient sureties, to be approved by the treasurer and clerk aforesaid, conditioned for the faithful discharge of such duties as are hereinafter prescribed.

Capital stock.

Sec. 3. The capital stock of every association to be incorporated under the provisions of this act shall not be less than fifty thousand dollars, nor more three hundred thousand dollars, and

shall be divided into shares of fifty dollars each; and no such association shall commence operations until the whole amount of the capital stock shall be subscribed, nor until thirty per centum of such capital stock shall be paid in, in legal money of the United States.

Amount subscribed and paid in.

Sec. 4. It shall be the duty of the treasurer and clerk aforesaid, to open books for subscription to the capital stock of such association, at the time and place mentioned, and to continue the same open for the space of four days successively; in case a greater number of shares than is sufficient to make up the whole capital stock of said association shall be subscribed, the treasurer and clerk shall apportion the said requisite number of shares among the subscribers, in proportion to the number of shares which each person has subscribed for respectively, in such manner as to secure to resident stockholders their proper proportions of stock, as designated by the tenth section of this act; but no person, resident of the proper county, shall, upon such distribution, receive less than five shares, if he shall have subscribed for so many, unless the subscriptions for such number of shares shall exceed the amount of shares of said capital stock. In case the whole amount of capital stock shall not be subscribed at the expiration of such period, the treasurer and clerk shall postpone such meeting for the space of thirty days, and shall give due notice of such postponement in manner aforesaid; and shall, on the day to which such meeting shall stand adjourned, open anew the books of subscription, and shall continue the same open for the further space of four days, unless the necessary amount of stock shall be sooner subscribed.

Books opened.

Apportionment of subscriptions.

Distribution.

Where the whole amount of stock is not subscribed.

Sec. 5. In case the necessary amount of capital stock shall not be subscribed at the expiration of the last mentioned period, the further continuance of such application shall cease and determine, and the applicants shall be liable to the payment of all expenses attendant upon such application; but should the necessary amount of stock be subscribed during either or both of the above mentioned periods, the expenses attending such application shall be paid by the association so to be formed, in its corporate capacity; *Provided*, That such treasurer and clerk, or other proper officers, shall not be entitled to receive more than three dollars per day each for their services in travelling to, returning from, and attending upon any meeting held under the provisions of this act.

Limitation of applications under this act.

Compensation of treasurer and clerk.

Oath of subscribers.

Sec. 6. Before any person shall be permitted to subscribe to the capital stock of any association to be incorporated under the provisions of this act, such person shall first make oath that the stock for which he is desirous of subscribing is intended for his own use, or for the use of the firm of which he is a partner, or for the use of the person or persons or company whom he represents

By whom administered.

as agent or attorney, and not in trust for another; which oath the treasurer and clerk, or either of them, are hereby authorized and

Limitation of amount of subscription.

required to administer; and no one person, firm, or company, shall be allowed to subscribe exceeding one tenth part of the capital stock of such association or corporation, nor shall he or they be capable at any time of holding therein to exceed one-fourth part of the capital stock thereof, unless the same shall come into his, her, or their possession, by action at law, in payments of debts due from stockholders in their separate and private capacities; no county clerk or treasurer shall be allowed to subscribe in other than his or their own name or names.

County clerk and treasurer not to subscribe.

Ten per cent. to be paid on subscribing.

Sec. 7. Every person, by himself, his agent or attorney, shall, on subscribing to the capital stock of such association, pay to the treasurer appointed as aforesaid ten per centum in specie on each share of stock by him or them subscribed; and such treasurer shall pay the same over to the cashier of such association, upon the order of the president and directors, whenever the same shall be organized; but if such association shall fail to complete its organization within the time limited by this act, every such amount paid in as aforesaid shall be refunded, without delay, to the subscribers respectively or their duly authorized agent or attorneys.

To whom paid.

To be refunded if not organized.

And any failure, for the space of five days, of the treasurer in complying with the provisions of this section, shall be deemed a misdemeanor, and shall be punishable by fine and imprisonment, in a sum not exceeding three times the amount of money withheld, and for a term not exceeding three years, at the discretion of the court before whom the same shall be tried and determined.

Penalty in case of neglect of the treasurer.

Meeting of subscribers.

Sec. 8. Whenever the capital stock of such association shall be subscribed, and ten per centum on each share thereof shall be paid in as hereinbefore provided for, if within either of the periods limited by this act, it shall be the duty of the treasurer and clerk to call a meeting of the subscribers, at such time and place as they may appoint, by giving thirty days' previous notice thereof

in manner prescribed in the first section of this act, and at such meeting shall lay the books of subscription before the subscribers then present, and thereupon the stockholders may elect nine directors, a majority of whom shall be competent to manage the affairs of the association; and said directors, who shall be stockholders and residing within the state, and at least five of whom shall be residents of the county wherein the business of such corporation shall be transacted, shall be empowered to elect one of their number president; and on all occasions when a vote of the stockholders is to be taken, each and every share shall entitle the holders thereof to one vote, either by himself in person or by proxy, which proxies shall always be stockholders. No person shall be a director of such association unless he shall be the holder of at least five shares of such capital stock.

Election of directors.

Of votes.

Sec. 9. All such persons as shall become stockholders of any such association, shall, on compliance with the provisions of this act, constitute a body corporate and politic, in fact and in name, and by such name as they shall designate and assume to themselves, which name shall not be changed without the consent of the legislature; and by such name they and their successors shall and may have continual succession, and shall in their corporate capacity be capable of suing and being sued, pleading and being impleaded, answering and being answered unto, defending and being defended, in all courts and places whatsoever; and that they and their successors may have a common seal, and that they and their successors, by such name as they shall designate, adopt and assume as aforesaid, shall be in law capable of purchasing, holding and conveying any estate, real or personal, for the use of the said association.

Stockholders incorporated.

Sec. 10. At least thirty per centum of the capital stock of such association shall be paid in in specie before such association shall be permitted to commence operations; one-third part of such capital stock shall be owned, subscribed, and continue to be held by residents of the county where such association shall transact business: *Provided*, That so much of this section as requires that one-third of the capital stock shall be owned in the county where such association shall transact business, shall not apply to the county of Chippewa.

Thirty per cent. in specie to be paid in before commencement.

Exception in favor of Chippewa county.

Sec. 11. The president and directors of such association shall, before commencing operations, furnish good and sufficient security

Security of president and directors.

ty, to be approved by the treasurer and clerk aforesaid, to the auditor general, for and in behalf of the people of this state, to be held as collateral securities when all other liabilities of such association shall fail or prove to be insufficient for the purposes intended, conditioned for the payment of all debts which such association shall contract, and for the redemption of all notes which shall be issued or be outstanding or in circulation, which securities shall be in the full amount which such association shall at any time have in circulation or be indebted, and shall consist either of bonds and mortgages upon real estate within this state, or in bonds executed by resident freeholders of the state, and shall be forthwith lodged in the hands of the bank commissioner, and a copy thereof placed on file in the office of the clerk of the proper county: *Provided*, That any president, director, or stockholder of any such association, who may have rendered the securities herein required, in whole or in part, and who may have disposed of his or their interest in such association, shall be relieved at their option from all further liability by the bank commissioner, upon the president and directors, and they are hereby authorized and required to do so, furnishing other good and sufficient sureties equivalent thereto, to the satisfaction of the said bank commissioner, and causing the same to be lodged and filed in the same manner as hereinbefore directed.

Kinds of security.

Proviso.

Certificate of name, &c. to be filed with secretary of state.

Duty of bank commissioner.

Sec. 12. Whenever the president and directors of any such association shall have complied with the requisitions of this act, the treasurer and clerk of the proper county shall file in the office of secretary of state a certificate setting forth the name and location of such association and the amount of its capital stock; and said secretary of state shall immediately thereafter give public notice thereof, by publication in one or more of the newspapers authorized to publish the laws of this state.

Sec. 13. It shall be the duty of the bank commissioner to visit the banking-house of such association as often as once in three months, and at all other times when requested by the governor or by any banking association in this state, created by the provisions of this act, or subject to the act to create a fund for the benefit of the creditors of certain moneyed corporations, and to institute such an examination into the affairs of such association as is required in the fifteenth section of an act to create a fund for the benefit of

the creditors of certain moneyed corporations, approved March 28, 1836.

Sec. 14. It shall be the duty of the bank commissioner to require every such association to renew or change the securities required to be given by this act, under the like restrictions and regulations, whenever the public safety may require it.

Sec. 15. In addition to the amount required to be paid in on the capital stock of such association before commencing operations, at least ten per centum thereon shall be paid at the expiration of each succeeding six months thereafter, until the whole stock shall have been paid in, under the penalty of forfeiting to such association the amount of stock which each individual refusing or neglecting to pay such instalment may have already paid in, and the shares on which such payments shall have been made: *Provided*, That whenever any instalment is required to be paid in, the directors shall first give public notice thereof in the manner directed by the first section of this act, and that no instalment shall be called in after such association shall commence operations exceeding ten per centum at the expiration of each successive six months, unless an earlier or additional call shall be authorized at some stated or special meeting by a vote of the stockholders owning three-fourths of the capital stock.

Sec. 16. The shares of the capital stock of such association shall be assignable according to the by-laws prescribed by such association, but no assignment shall be valid or effectual until such assignment or transfer shall be entered or registered in a book to be kept for that purpose; nor shall any stockholder be capable of assigning or transferring his or her stock in such association until all notes, dues and debts, of whatsoever nature, due to such association from such stockholder, either as drawer or indorser of any note, or otherwise, shall be first paid and discharged. It shall not be competent for such association to deal or trade in the stocks of moneyed or any other corporations, or to increase or reduce the capital stock thereof, without the consent of the legislature.

Sec. 17. It shall not be lawful for any such banking association to issue, or have outstanding or in circulation at any time, an amount of notes or bills loaned or put in circulation as money, exceeding twice and a half the amount of its capital stock then paid in and actually possessed; nor shall its loans and discounts at any time

Idem.

Ten per cent. to be paid in every six months.

Notice of instalments.

Shares how assignable, and when.

Restriction.

Limit of issues, &c.

Of loans and discounts. exceed twice and a half the amount of its capital stock so paid in and possessed.

Of directors and president. Sec. 18. The stock, property, affairs and concerns of such association shall be managed and conducted by nine directors, who shall choose one of their own number president, and shall hold their offices for one year and until removed or others are chosen and qualified, and shall be elected on the first Tuesday of January annually, at the banking-house of such association; public notice shall be given thereof at least sixty days previous to the day of election; the election shall be held and made by such of the stockholders as shall attend for that purpose, either in person or by proxy, and a plurality of votes shall be sufficient for a choice; and if it should happen at any election that two or more persons have an equal and the highest number of votes, then the directors in office at the time of such election, or a majority of them, shall proceed to ballot, and by a plurality of votes determine which of the said persons so having an equal number of votes shall be the director or the directors, so as to complete the number of nine; if any director shall cease to be a stockholder, his office shall be vacated; and whenever any vacancy shall happen among the directors, by death, resignation, or removal, such vacancy shall be filled for the remainder of the year in which the same shall happen by such person or persons as the remainder of the directors for the time being, or a majority of them, shall appoint.

Term of office.  
Election.  
Vacation of office.  
Special election. Sec. 19. In case it shall at any time happen that an election of directors shall not be made on the day when pursuant to this act it ought to have been done, such association shall not for that cause be deemed to be dissolved, but it shall and may be lawful on any other day to hold an election for directors: *Provided*, Thirty days' previous notice shall be given of the time and place of meeting, as provided for in the first section of this act.

Oath of directors. Sec. 20. The directors, before they enter upon or execute any of the duties of their offices except choosing a president, shall severally take and subscribe an oath or affirmation that they will once at least in every three months, unless absent from the state or prevented by sickness, examine fully into the condition and operations of said association, and write down in a book, to be kept by the bank for that purpose, a true statement of the condition and affairs of the bank at the time of examination (naming the time.) and subscribe under the same his or their own proper

name or names, and faithfully report to the bank commissioner, or such other authority as may from time to time be prescribed by the legislature, whenever they shall discover any violation or abuse of the privileges granted to such association by this act, and that they will in all other respects diligently and honestly perform the duties of their respective offices; which report shall forthwith be communicated to the executive by said bank commissioner or other authority, and by the executive to the legislature, if in session, and if not in session, at its next meeting; which said oaths or affirmations either of the directors is hereby authorized to administer to the president, and then the president shall administer the same to the other directors; and every cashier, clerk and servant of such association, before he enters upon the duties of his office, shall give bond, with two or more securities, to the satisfaction of the directors, conditioned for the faithful performance of his duties.

Report.  
Officers to give security.  
Sec. 21. The directors for the time being, or a majority of them, shall have power to make and prescribe such by-laws, rules and regulations, as to them shall appear useful and proper, touching the arrangement and disposition of the stock, property, estate and effects of said association; the duties and conduct of the officers, clerks and others employed therein, and all such other matters as appertain to the business of a banking association; and shall also have power to appoint so many officers, clerks and servants, for carrying on the said business, and with such salaries and allowances, as to them shall seem meet.

By-laws.  
Appointment of officers.  
Salaries.  
Sec. 22. No president or director shall be entitled to any emolument for his services, unless the same shall have been allowed by the stockholders at a general meeting; five directors shall constitute a board for the transaction of business, of which the president shall be one, except in case of necessary absence, when he shall in writing appoint one of the directors, or the directors present may appoint one of their number, to act as president pro tempore; but for making ordinary discounts, not less than three directors shall constitute a board.

Quorum.  
General meeting.  
Sec. 23. A general meeting of the stockholders may be called whenever the directors, or a majority of them, shall judge proper, of which meeting the directors shall give thirty days' notice as hereinbefore directed, which notice shall specify the object of such meeting; and it shall and may be lawful for the stockholders of

Removal of directors.

any banking association to be formed under this act, or of any bank heretofore incorporated by the legislature of this state, to remove any director or directors, a majority of all the votes being given thereupon at a meeting held for any purpose, and of which thirty days' previous notice has been given, and to elect others in their stead; and it shall and may be lawful for persons holding one-fourth of the stock in any such association or bank, at any time, to call in their own names a general meeting of all the stockholders, by giving at least thirty days' notice thereof, but the votes at any such meeting shall always be given according to the provisions of the act by which said association or corporation is created or authorized.

General meeting, how called.

Semi-annual statement of condition of bank, &amp;c.

Sec. 24. It shall be the duty of the directors, semi-annually and whenever required by the legislature, to furnish the bank commissioner, or such other officer or officers prescribed by the legislature, a statement, under oath or affirmation, of the condition of such banking association, stating the amount of deposits, the amount of bills in circulation, the amount of their indebtedness to other corporations, companies and individuals, the amount of debts due from the directors, the amount due from the stockholders, the amount due from all other persons or corporations (not however naming them,) the amount of specie in bank, the amount of bills of other banks, the amount of their deposits in other banks, the amount of their stock in companies, the amount of their real estate and other property not herein specified, the amount of capital actually paid in, and containing a true and faithful exhibit of the entire state of such bank, which statement they shall also cause to be published in some newspaper within the state; and the books, papers and vaults of such association shall be open at all times to the inspection of a committee, or commissioner or commissioners, to be appointed by the legislature.

Inspections

Limit of indebtedness.

Liability of directors.

Of stockholders.

Sec. 25. The total amount of debts which such association shall at any time owe, exclusive of property deposited in the bank, shall not exceed three times the amount of capital stock actually paid in and possessed; and for all excess and all deficits occasioned by insolvency of such bank, the directors in the first place shall be liable in their individual capacity in the full amount of their real and personal property; and each other stockholder shall thereafter be also liable to the amount of stock which he shall hold in such association, in proportion to his or her amount of

stock: *Provided*, That any director who, if present, shall enter his protest, or, if absent, shall within five days after his return to said bank, enter his protest against certain loans, discount, or issues, shall not be liable further than other stockholders for the debts or losses accruing from such loans, discounts, or issues.

Proviso.

Sec. 26. The lands, tenements and hereditaments which it shall be lawful for any such association to hold, shall be such only as shall be required for its accommodation in relation to the convenient transaction of its business, or such as shall have been bona fide mortgaged to it by way of security, or conveyed to it in satisfaction of debts previously contracted in the course of its dealings, or purchased at sales upon judgments which shall have been obtained for such debts; and such association shall not directly or indirectly deal or trade in buying or selling any goods, wares, or merchandize, unless in selling the same when truly pledged by way of security for debts due such association, or purchasing them at sales on judgments which shall have been obtained for any debts previously contracted in the course of its dealings and afterwards selling the same.

Restrictions.

Sec. 27. The bills, obligatory and of credit, under the seal of such association, which shall be made to any person or persons, shall be assignable by indorsement thereon, under the hand or hands of such person or persons, his, her, or their assignee or assignees, so as absolutely to transfer and vest the property thereof in each and every assignee or assignees respectively, and to enable such assignee or assignees to bring and maintain an action thereupon, in his, her, or their own name or names; and bills or notes which may be issued by order of the said association, promising the payment to any person or persons, his, her, or their order, or to bearer, though not under the seal of such association, shall be binding and obligatory upon the same in like manner and with like force and effect as upon any private person or persons, if issued by him, her, or them, in his, her, or their private or natural capacity or capacities, and shall be assignable and negotiable in like manner as if they were issued by such private person or persons; and if such bills, obligatory and of credit, and such bills and notes issued as aforesaid, are not paid when the same are due and demanded at the banking-house of such association, or within thirty days thereafter, in the lawful currency of the United States, such association shall be dissolved: *Provided*, The asso-

Bills under seal assignable.

Bills not endorsed.

Bills not redeemed within thirty days, corporation dissolved.

Damages for non-payment.

association shall pay twenty per centum damages and all costs that may accrue; and nothing herein contained shall prevent an injunction being issued whenever any payments or demand shall be refused, or the continuance thereof, if the said association, from and after thirty days from the time of the first refusal to redeem their bills in specie, shall not resume the payment of their bills in specie on demand at their banking-house.

Limitation of discounts to directors.

Sec. 28. The whole amount of loans or discounts made to the directors of such association, or to any individual, firm or company, or upon paper on which such directors, or any of them, or any such individual, firm or company, shall be endorsers, shall not any time exceed one-sixth part of the amount which such association shall be entitled to issue.

Stock and property liable for debts of owners.

Sec. 29. The property of every individual member of such association, vested in such corporate funds, shall be liable in the same manner as other personal property is or may be liable by the laws of this state, to the payment and satisfaction of his or her just debts, to any of his or her creditors; and when any execution or attachment shall be issued against the personal property of any such individual member, and the creditor is desirous that the same should be levied upon the property of such debtor in the said corporate funds, the officer to whom such execution or attachment may be directed, shall levy the same by leaving with the cashier of such bank an attested copy of such execution or attachment, and a written notice that the said execution or attachment is levied upon the property of the said debtor in the said corporate funds; and such property thus levied upon shall be sold in the same manner as is or shall by law be provided for the sale of personal property taken in execution or upon attachment; and such corporate funds thus levied upon and sold shall be transferred to the purchaser by entering in the proper book of such association a copy of the said execution or attachment and a statement of the sale of such property by virtue thereof, which entry the officer serving such execution or attachment shall be permitted to make; and upon any execution or attachment being levied in said bank, it shall be the duty of the cashier of said bank to expose the proper book of the association to the officer and to furnish him a certificate, under his hand and in his official capacity, stating the number of shares the debtor holds in said association, the incumbrances and amount of dividends thereon due.

Manner of levy and sale.

Sec. 30. Such association shall not take more than seven per centum per annum in advance on loans or discounts; and the directors shall make semi-annual dividends on the first Tuesday of January and July in each year.

Per cent. on loans, &c.  
Dividends.

Sec. 31. No note or bill shall be issued by such association of a less denomination than one dollar.

No note less than one dollar.

Sec. 32. Every such association shall pay to the treasurer of the state, for the use of the state, one half of one per centum on the amount of the capital stock paid in, in semi-annual payments, on the third Monday of January and third Monday of July in each and every year; and shall be subject to the provisions of this act and the act to create a fund for the benefit of the creditors of certain moneyed corporations, and to such alterations of said acts as shall be from time to time made by the legislature: *Provided*, That no money shall be drawn from said fund until the funds and liabilities of any such association shall fail and prove insufficient to pay all debts due and owing by the same.

One per cent. to be paid into state treasury.

Proviso.

Sec. 33. Every director or officer in any such banking association, who is required under oath or affirmation to perform certain duties under this act, and who shall wilfully or negligently fail to perform those duties, or shall make false statements or false entries in the books of such association, or shall exhibit false papers with intent to deceive, shall be guilty of felony, and be subject to imprisonment in the state prison for a term not less than two years.

Penalty for neglect or false statement, &c.

Sec. 34. This act shall be favorably construed and received in all courts of justice as a public act; and copies thereof printed under the authority of the legislature, shall be received as evidence without further proof.

Construction.

Sec. 35. Every association incorporated under the provisions of this act, shall continue until the fourth day of March, one thousand eight hundred and fifty-seven.

Continuance.

Sec. 36. The legislature shall at any time have the power to alter or amend this act, and to dissolve any association to be incorporated under its provisions, by a vote of two-thirds of each house.

Power to alter or amend.

Sec. 37. No such association shall be allowed to remove its banking-house from the place in which it shall be first established, without the consent of the legislature.

Banking-houses not removable.

Dissolution  
by consent.

Proviso.

Responsibility  
for debts  
due.

Sec. 38. Every such association may be dissolved by consent at any time, by a general meeting of the stockholders, specially summoned for that purpose: *Provided*, at least three-fourths in value shall be present or represented therein; and upon the dissolution of such association, the directors for the time being and the survivors, or survivor of them, shall be *ipso facto* trustees for settling all the affairs of the association, disposing of its effects, recovering and paying its debts, and dividing the surplus among the stockholders, in proportion to their respective interest in the stock, unless the stockholders at such general meeting shall appoint other persons for that purpose, in which case the persons so appointed and the survivors or survivor shall be trustees or trustee for the purposes aforesaid; and that for all debts which shall be due and owing by such association, at the time of its dissolution, the persons then composing such association shall be individually responsible to the extent of their respective shares of stock and no further.

Approved March 15, 1837.

[No. XLVIII.]

**AN ACT** to amend an act entitled "An act to incorporate the trustees of the Spring Arbor Seminary," approved March 23, 1835.

Classification  
of trustees.

Sec. 1. *Be it enacted by the Senate and House of Representatives of the State of Michigan*, That the trustees of said seminary shall be divided by lot, as may be provided by the by-laws of said trustees, into four classes, to be numbered first, second, third and fourth class; those falling into the first class shall go out of office in one year from the first day of May next; the second class shall go out of office in two years from the first day of May next; the third class shall go out of office in three years from the first day of May next; and the fourth class shall go out of office in four years from the first day of May next; and the vacancies shall be filled by the remaining trustees, at their first general meeting, after said vacancies shall occur.

Power of  
trustees to  
convey lands.

Sec. 2. Said trustees are hereby authorized and empowered to sell and give a deed of any lands which they now own and are desirous of selling; and any deed by them made for the convey-

ance of any land by them sold, shall be good and valid in law, to convey the title of said land to the purchaser or purchasers, excepting twenty acres of land on which said seminary is now located.

Approved March 17, 1837.

[No. XLIX.]

**AN ACT** appointing commissioners to lay out and establish certain state roads.

Sec. 1. *Be it enacted by the Senate and House of Representatives of the State of Michigan*, That there shall be laid out and established a state road, from Whitmanville to the state road at or near Bainbridge, and Charles John Martin, C. Whitman, John P. Davis and Jehiel Enos, be, and they are hereby, appointed commissioners for that purpose.

Sec. 2. There shall be laid out and established a state road, from Whitmanville to St. Joseph; and Eleazer Morton, John Wolver and E. H. Spaulding, be, and they are hereby, appointed commissioners for that purpose.

Sec. 3. There shall be laid out and established a state road, from Cassopolis, through Berrien to New Buffalo; and Abiel Silver, Isaac Sumner and Pitt Brown, be, and they are hereby, appointed commissioners for that purpose.

Sec. 4. There shall be laid out and established a state road, from the village of Palmer, in the county of St. Clair, to the county site of the county of Lapeer; and Benjamin C. Cox, John M. Oakes and Andrew Palmer, be, and they are hereby, appointed commissioners for that purpose.

Sec. 5. There shall be laid out and established a state road, from the village at the mouth of Black river, in the county of St. Clair, to the county site of the county of Sanilac; and Jonathan Burtch, J. L. Kelsey and M. Carrington, be, and they hereby, appointed commissioners for that purpose.

Sec. 6. There shall be laid out and established a state road, from the village of Newport, in the county of St. Clair, to intersect the Fort Gratiot turnpike, in the county of Macomb; and Nathan Ward, Henry G. Folger and Jones Robertson, be, and they are hereby, appointed commissioners for that purpose.

and conveying any estate, real or personal, for the use of said association.

Capital how paid.

Sec. 5. At least thirty per cent of the capital stock of such association shall be paid in specie before such association shall be permitted to commence operations, one-third part of such capital stock shall be owned, subscribed and continue to be held by residents of the county where such association shall transact business:

By whom owned.

Proviso.

*Provided*, That so much of this section as requires that one-third of the capital stock shall be owned in the county where such association shall transact business, shall not apply to the county of Chippewa.

Bonds and mortgages to be given for redemption of notes.

Sec. 6. The stockholders of such banking association shall, before commencing operations, execute bonds and mortgages upon unincumbered real estate, within this state, which shall be estimated at its true cash value by the treasurer, clerk, associate judges, and sheriff aforesaid, or a majority of them, and be by them taken in the name of the auditor general of said state, for the use of said state, at a rate not exceeding its true cash value, exclusive of buildings thereon, to the full amount which such association shall be authorized to become indebted, at the time of rendering such securities, to be holden as collateral security for the final payment of all debts and liabilities of such association, and for the redemption of all its notes outstanding and in circulation, after the liabilities of the directors and of the stockholders, and the fund accrued in pursuance of the act to create a fund for the benefit of the creditors of certain moneyed corporations, shall have been found insufficient for the payment of the same; and

Who shall examine premises to be mortgaged.

and the treasurer, clerk, associate judges and sheriff aforesaid, when required by any such association, and before the same shall go into operation, shall proceed to examine the real estate proposed to be mortgaged by way of security as aforesaid, and before entering upon the execution of such duty, each of such officers shall take and subscribe an oath, to be kept of record in the office of the county clerk, before some officer authorized to administer the same, that he is not, directly or indirectly, interested in, or the owner of such land, and is not interested in the stock of the bank about to be created, and that he is not an officer of, or interested in any other bank, and that he will well and truly, according to the best of his knowledge and belief, estimate the same according to its true cash value. If they shall be of opinion that the securi-

Oath to be taken.

Certificate of approval.

ties so tendered are ample and sufficient, according to the provisions of this act, and shall, upon actual examination, find that there exists upon such lands no prior mortgage or other incumbrances of record in the office of register of deeds or of the county clerk, and such register and clerk shall indorse on each mortgage tendered as security a certificate setting forth such fact, they shall make out a certificate of approval thereof, and deliver to such bank, and cause a copy thereof to be placed on file in the office of the county clerk, and shall immediately cause every such mortgage to be recorded in the office of the register of deeds, at the expense of such bank, and as soon thereafter as may be, cause the same to be forwarded to the auditor general, to be by him placed on file in his office: *Provided*, That any person who may render the securities herein required, in whole or in part, shall be released at his option from all liabilities upon such securities, by the auditor general, upon condition that the stockholders, who are hereby authorized and required to do so, shall give other equivalent securities, in the manner herein directed, and cause the same to be approved and lodged in the manner as hereinbefore directed. In case the said officers shall, from their interest in the stock of such bank, or in the lands proposed as security, be incapable of performing the duties hereinbefore designated, such duties shall be performed under the like regulations and restrictions by any justice or justices of the peace of the same county, amounting, in connexion with such of the before-mentioned officers as shall be qualified to act, to not less than three persons in number. The amount of compensation to every such officer, shall be a legal charge against such bank or its officers, and shall not exceed at the rate of two dollars per day to each for every day necessarily employed therein.

Mortgages to be recorded and delivered to auditor general.

Securities how changed.

When officers interested, who perform their duties.

Their compensation.

Sec. 7. Whenever the president, directors and stockholders of any such association, shall have complied with the requisitions of this act, they shall file in the office of the secretary of state a certificate, setting forth the name and location of such association, and the amount of its capital stock, and said secretary of state shall immediately thereafter give public notice thereof, by publication in one or more of the newspapers authorized to publish the laws of this state.

Certificate to be filed with secretary of state.

To be published.

Sec. 8. It shall be the duty of every banking association to cause to be posted and kept up, in some conspicuous part of its

Statement to be posted up in banking-house.

Amendment to Law of 1837

Passed in 1838

*[Faint handwritten scribbles]*

seat of justice of any county, or the imposing of a tax for making or improving a road, or for any other local purpose in any county, where all or any of the inhabitants of such county are proposed to be taxed, and in all cases of applications to the legislature for the passage of laws authorizing the construction of dams in or across the streams and waters of this state, which are by law public highways, shall give notice of such intended application, by advertisement to be published for at least four weeks successively, at any time within two months before such application, or before the first day of the session at which the same is to be made, in a newspaper printed in the county or each of the counties where the objects of such application are intended to be carried into effect, and by posting up in three public places in said county, notices of such intended application, and also, in case of intended application for the imposition of any tax as aforesaid, in the state paper.

Sec. 2. Every association intending to apply to the legislature for an act of incorporation, and every corporation intending to apply for an alteration, amendment or extension of its charter, shall cause the like notice of such application to be published in the state paper, and also in a newspaper printed in the county in which such corporation is intended to be or shall have been established.

Sec. 3. If no newspaper be printed in a county in which any notice is required to be published, such notice shall be published in like manner in the place nearest thereto in which a newspaper shall be published.

Sec. 4. If the application be for an act of an incorporation, the notice shall specify the amount of the capital stock requisite to carry the objects of such incorporation into effect; and if the application be for an alteration in any charter already granted, the notice shall state specifically the alteration intended to be applied for.

Notice of intended application for acts of incorporation.

When there is no newspaper.

Specifications in notice for incorporations

Sec. 5. The notice of all other applications of which notice is hereby required to be given, shall specify the nature and objects of such intended application.

Sec. 6. This act shall take effect from and after the first day of May next.

Approved March 16, 1830.

AN ACT to create a fund for the benefit of the creditors of certain moneyed corporations.

Sec. 1. *Be it enacted by the senate and house of representatives of the state of Michigan,* That every moneyed incorporation having banking powers, hereafter to be created in this state, or when their charter shall be renewed or extended, shall be subject to the provisions of this act.

Sec. 2. For the purpose of creating and continuing the fund herein established every such corporation shall on or before the first day of January, in every year, pay to the treasurer of this state, a sum equal to one half of one per cent. on the capital stock of such corporation paid in, after excepting therefrom such part of said capital stock as is held by the state, and at that rate for the time such corporation shall have been in operation, if less than one year.

Sec. 3. At the time of making any such payment, the corporation making the same, shall cause to be delivered to the treasurer of this state, a statement signed by the president and cashier of the corporation and verified by their oath, duly made before some officer authorized to administer oaths, specifying the actual amount of the capital stock of such corporation paid in, and designating in such statement the amount of said capital stock, as shall be owned by the state.

Sec. 4. The annual payments shall continue to be made until every such moneyed incorporation shall have

In other notices.

Commencement.

Banks hereafter chartered subject to this act.

Banks to pay  $\frac{1}{2}$  of 1 per cent per annum in to the Treasury.

Statement of the amount of capital paid in

Annual payments limited.

Bank fund.

paid into the treasury three per centum upon its capital stock, which shall be, and remain a perpetual fund, to be denominated the "Bank Fund," and to be inviolably appropriated and applied to the payment of such portion of the debts, exclusive of the capital stock, of any of the said corporations which shall become insolvent, as shall remain unpaid, after applying the property and effects of such insolvent corporation, as hereafter provided.

Accounts of the bank fund to be kept separate.

Sec. 5. The auditor general and treasurer of this state, shall keep proper accounts of the said bank fund separate and distinct from the funds of this state; and the auditor general shall from time to time report to the legislature the condition thereof.

The property of fund.

Auditor general may invest and sell.

Sec. 6. The said fund shall be the property of the corporations by which the same shall be paid, in proportion to the amount which each of such corporations shall have contributed thereto; but the auditor general shall have power and it shall be his duty from time to time to invest the same and all moneys belonging thereto, in the manner provided by law; and whenever it shall become necessary for the purpose of meeting any charges on said fund, to sell any stock or other securities in which such fund or any part thereof may have been invested, the auditor general shall have power to make such sale.

Income arising from fund

Sec. 7. The income arising from said fund, after deducting therefrom the salary of the bank commissioner, hereinafter mentioned, shall annually be paid by the auditor general to the several corporations by which the said fund shall be created, in proportion to the amount which each of the said corporations shall have contributed thereto; but no corporation shall be entitled to any part of the said income, after it shall become insolvent, or shall be dissolved, or its charter shall expire.

Sec. 8. Whenever the fund created by this act shall

be reduced by the payment of the debts of an insolvent corporation, to be made as hereinafter provided below the sum as provided in the fourth section of this act, every moneyed corporation then existing, which shall be subject to this act, and every such corporation hereafter to be created, shall on or before the first day of January in every year thereafter, pay to the treasurer of this state such sum, to be designated by the auditor general, not exceeding a sum equal to one half of one per cent. on its capital stock, as hereinbefore provided; which last mentioned annual payments shall continue to be made by every corporation subject to the operation of this act, until the aforesaid sum shall be reimbursed and made to amount to the sum as provided in the fourth section; after which, such annual payments shall be suspended, until it shall become necessary again to resort to the said fund, by reason of the insolvency of any such corporation as hereinafter provided, when said payments shall be resumed in manner aforesaid, and so on from time to time as occasion may require.

Sec. 9. Whenever any corporation subject to the operations of this act, shall become insolvent, and shall be proceeded against as hereinafter provided, it shall be the duty of the court of chancery, immediately after a final dividend of the property and effects of such insolvent corporation and such other property as shall be subject and liable for the payment of its debts shall have been made among the creditors thereof, to cause an order to be entered on its minutes setting forth, First. The total amount of debts against the said corporation, ascertained and established by the said court, including lawful interest thereon. Second. The nett amount of moneys derived from the property and effects of the said corporation, liabilities of the directors and other stockholders thereof, and applied under the direction of the said court, towards the satisfaction of such

Fund when reduced below a certain ratio how renewed.

Duty of court of chancery in case of insolvency of a bank.

Order of court

debts; and Third. The total amount of moneys then requisite to pay off and discharge the said debts. Such order shall also direct the receiver appointed to take charge of the property liable for the debts of the corporation, to apply to, and receive from, the auditor general of this state, in the manner hereinafter provided, the sum which shall be required to pay off and discharge the said debts.

Effect of order of court of chancery.

Sec. 10. Upon such receiver filing with the auditor general of this state a copy of such order, duly certified by the proper officer, and countersigned by the chancellor, it shall be the duty of said auditor general to draw his warrant on the treasurer in favor of such receiver, for such sum, not exceeding the amount of the bank fund, as may have been declared by the said court of chancery, to be necessary to satisfy the debts of said corporation; and the moneys paid to such receiver by such warrant, shall be paid out by him, under the direction of the court of chancery, to the several creditors of the corporation.

When fund insufficient.

Sec. 11. If at the time of filing with the auditor general the copy of such order, the bank fund shall be insufficient to satisfy all the debts of the insolvent corporation, a sum sufficient to satisfy the residue of such debts as shall remain unpaid, shall be paid to such receiver, in the manner provided in the last preceding section, out of the first moneys that shall thereafter be paid to the treasurer pursuant to the eight section of this act; and the moneys so paid to such receiver, shall be paid out by him in the manner required in the last preceding section.

Charge on bank fund.

Sec. 12. The moneys so paid out of the treasury and all other moneys required by this act to be paid out of the treasury, shall be a charge upon the bank fund hereby created.

Sec. 13. Whenever the charter of any moneyed corporation, subject to the provisions of this act, shall expire, every such corporation shall be entitled to receive its proportional share of said bank fund which such corporation may have contributed thereto, after deducting therefrom a proportional part of the charges upon the said fund, and which share the auditor general is hereby authorized to pay to said corporation.

On expiration of charter bank to receive its proportion of the fund.

Sec. 14. No creditor of any insolvent corporation shall, by virtue of this act, receive interest upon his debt against such corporation, from and after the time such order is made, as is required by the ninth section of this act, nor shall such creditor be entitled to interest anterior to the presentation of his demand against such corporation, to the receiver who shall be appointed to take charge of the property and effects of such corporation.

Of interest on debts due by insolvent banks.

Sec. 15. One person to be styled "the Bank Commissioner of the State of Michigan," shall be appointed in the manner hereinafter provided, whose duty it shall be, once at least in every four months, to visit every moneyed corporation upon which the provisions of this act shall be binding; and thoroughly examine the affairs of the said moneyed corporations, to examine all the books, papers, notes, bonds, and other evidences of debt of said corporations; to compare the funds and property of said corporations with the statements to be made by them as hereinafter provided; to ascertain the quantity of specie the said corporations have on hand; and finally, to make such other inquiries as may be necessary to ascertain the actual condition of the said corporations and their ability to fulfil all the engagements made by them.

Bank commissioner. His duties.

Sec. 16. It shall be the duty of the said commissioner to visit and inspect the condition and affairs of any moneyed corporation, more frequently than once in ev-

Commissioner to inspect on request of three banks.

ery four months, if required so to do by any three moneyed corporations subject to the provisions of this act.

Power of commissioner.

Sec. 17. The said commissioner shall have power to examine, upon oath, all the officers, servants, or agents of said corporations, or any other person, in relation to the affairs and condition of said corporation; which oath the said commissioner is personally authorized to administer.

Proceeding of commissioner in certain cases.

Sec. 18. If the said commissioner shall ascertain from such inspection and examination, or in any other manner, that any of said corporations are insolvent, or shall have violated any of the provisions of their act or acts of incorporation, or of any other act binding on such corporation, the said commissioner shall immediately apply to the court of chancery, upon bill or petition, for an injunction against such corporation and its officers; and the same proceedings shall in all respects be had, and the court shall possess the like powers upon such application, as are provided by law in respect to such applications when made by the attorney general or by any creditor.

Commissioner to make report to the legislature.

Sec. 19. It shall be the duty of the said commissioner in the month of January, in each year, to report to the legislature the manner in which he has discharged the duties imposed on him; and to accompany such report by such abstracts from the reports made to him, and by such other statements as he may deem needful.

Commissioner how appointed

Sec. 20. The commissioner shall be appointed by the governor by and with the advice and consent of the senate and house of representatives in joint vote, and

Term.

and the said commissioner shall hold his office for two years and until the successor is elected and qualified, but shall

Removal.

be at any time removable by the governor for misconduct or neglect of duty.

Sec. 21. Before the said commissioner shall enter upon the execution of the duties of his office, he shall take the constitutional oath of office, before the secretary of state or some one of the circuit judges, and within ten days thereafter shall cause such oath, certified by the officer before whom it was taken, to be filed in the office of the secretary of state.

Oath of commissioner.

Sec. 22. The said commissioner shall not disclose the name of the debtors of any moneyed corporation examined by him, or any information obtained in the course of such examination, unless required in a court of justice or in the course of some proceeding authorized by this act.

Of disclosures by commissioners.

Sec. 23. There shall be allowed to said commissioner the annual salary of three hundred dollars, to be paid quarterly out of the bank fund.

Salary of commissioner

Sec. 24. It shall not be lawful for any such moneyed corporation, to issue, or to have outstanding or in circulation at any time, an amount of notes or bills loaned or put in circulation as money, exceeding three times its capital stock then paid in and actually possessed; nor shall its loans and discounts at any time exceed three times the amount of its capital stock so paid in and possessed.

Amount of circulation of bank bills and of loans and discounts.

Sec. 25. If any such moneyed corporation shall violate the last preceding section, or shall neglect to make any annual payment to the treasurer of this state, required by this act, for the space of three months after the time when the same ought to have been made, and after being notified of such delinquency by the auditor general of this state, or shall have lost one half of its capital stock paid in, or shall have suspended the payments of its bills in specie for ninety days, or shall refuse to allow the officers of such corporation to be ex-

Penalties.

amined upon oath by the said commissioner, in relation to the affairs and condition of such corporation, every such corporation may be proceeded against by the said commissioner, and dissolved by the chancellor, as an insolvent corporation, as hereinbefore provided.

False statements &c. deemed felony

Sec. 26. Every officer, agent or clerk of a moneyed corporation, who shall make false statements or false entries in the books of such corporation, or shall exhibit false papers with intent to deceive said commissioner as to the condition of such corporation, shall be deemed guilty of felony, and shall be subjected to imprisonment in state prison, for a term not less than three nor more than ten years.

Proof of fraud

Sec. 27. Every insolvency of a moneyed corporation subject to this act 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; and it shall be incumbent on the directors of every such insolvent corporation to repel by proof the presumption of fraud.

Liability of directors in case of insolvency of bank

Sec. 28. In every case of a fraudulent insolvency, the directors of the insolvent company, by whose acts or commissioners the insolvency was wholly or in part, occasioned, and whether then in office or not, shall each be liable to the stockholders and creditors of the company for his proportionate share of their respective losses, the proportion to be ascertained by dividing the whole loss amongst the whole number of directors liable for its reimbursement.

No stockholder to be appointed a bank commissioner

Sec. 29. No stockholder of any moneyed corporation subject to this act shall be appointed a commissioner under and by virtue of this act; and it shall not be

lawful for the said bank commissioner, directly or indirectly to purchase or in any manner whatever to be concerned in any bank stock in this state, whilst holding his office.

Sec. 30. Every moneyed corporation subject to this act, shall be entitled and allowed to receive the interest as established by the act of incorporation on all loans, by them made or notes or bills by them discounted or received in the ordinary course of business with the addition of one half of one per cent. saving and excepting such corporations as are authorized to receive seven per centum.

Interest on loans or discounts.

Sec. 31. No moneyed corporation subject to this act, shall issue any bill or note of the said corporation, unless the same shall be made payable on demand and without interest.

Bank bills to be payable on demand without interest.

Sec. 32. Every moneyed corporation of this state heretofore existing may become subject to this act upon complying with its provisions.

Corporations heretofore existing may become subject to this act.

Approved March 28, 1836.

AN ACT to incorporate the members of the Detroit Young Men's Society.

Sec. 1. *Be it enacted by the senate and house of representatives of the state of Michigan,* That the members of the Detroit Young Men's society and all such persons as shall be associated with them for the purposes hereinafter mentioned, and their successors be and they are hereby ordained, constituted, and appointed a body politic and corporate, in fact and in name, under the name of the 'Detroit Young Men's Society,' for the purpose of moral and intellectual improvement, and by that name they and their successors may have perpetual succession and shall be capable of suing and being sued, pleading and being impleaded, answering and being an-

Created a body politic and corporate.

U.S. Exec. Doc.  
Rept. of Bk Comm.

EXHIBIT  
NO. 100  
MAY 1934

FARMERS' BANK OF GENESEE

Reported by Bank Commissioners

November 20, 1837

A. Stock subscriptions to the Farmers' Bank of Genesee, November 20, 1837

Total subscribers' names	20
Total number of shares	2000
Total amount paid in	\$10,000

Al. Transfers of the stock of the Farmers' Bank of Genesee County

14 transfers in 1837 -- Total number of shares 1030  
 14 transfers in 1838 -- Total number of shares 1095

(B)

Copy of the entries in a book in the Farmers' Bank of Genesee County

December 30. -- At a meeting of the stockholders of the Farmers' Bank of Genesee County, the following persons were duly elected directors: H. R. Jerome, T. J. Drake, R. M. Morrison, Lyman Stow, E. R. Ewing, A. Miller, Curtis Bellows, W. Davis, Simpson Buck.

At a meeting of directors on same day, H. R. Jerome was elected president. Oath of office was administered to the president by Thomas J. Drake. The oath of directorship was then administered by the president. R. M. Morrison was then appointed cashier. The bond of \$250,000 was filed and approved by the treasurer and clerk. The bank then went into operation by exchanging \$47, and discounting T. J. Drake's note of \$25 out of exchange funds. Meeting then adjourned till January 1, 9 A. M.

January 1. -- Directors met and reconsidered the appointment of cashier; vacated his office, because he did not file a satisfactory bond.

January 3. -- At a meeting of directors, the president was directed to confer with R. J. S. Page on the subject of his becoming cashier.

January 4. -- At meeting of directors, R. J. S. Page was appointed cashier, and the oath of office administered. Thomas J. Drake, Lyman Stow, and R. M. Morrison having, by transferring all their stock, vacated their offices as directors, R. J. S. Page, Benjamin Bowers, and Levi Gilkey were chosen in their stead.

Mr. Page's services as cashier were engaged at the salary of at the rate of \$600 per year for the first six months. Directors then ordered that, when securities were approved, the president and cashier should issue a sum not exceeding \$10,000, for the purpose of exchange. It was

then ordained by the president and directors that the following be the by-laws regulating the Farmers' Bank of Genesee County.

The meeting then adjourned till 17th February.

February 1, 1838. -- We, the undersigned, have this day examined into the affairs of the Farmers' Bank of Genesee county, and find them, in our opinion, perfectly solvent.

H. R. JEROME, President  
R. J. S. Page, Cashier

February 17, 1838. -- None of the directors being present, and R. J. S. Page having a power to vote for a majority of the stock, vacated his office as director, and appointed in his place Peter Stiles, and in the place of E. R. Ewing, James Cummins; the other directors remain as they were originally chosen.

(C) Total receipts given by H. R. Jerome, as treasurer, for the first ten per cent. on the subscription of the capital stock of the Farmers' Bank of Genesee County, for 1837, \$7,250.

(Cl) Total notes in the Farmers' Bank of Genesee County which are designated upon the same as "stock-notes," amounting to \$6,830 (one item)  
\* Minuted on back as error \$300, should be \$1,050; credited by error \$250; also endorsed \$60 in specie.

(D) Notes in the Farmers' Bank of Genesee County for 1838

Total makers	24
Time 40 days to 3 years	
Total amount	\$10,965.00

(1 note; received on the within note \$106, March 8, 1838)

(D1) Receipts

1838 -- 6 receivers -- Amount \$1,170.00.

The language of all the receipts is, that the sums were received for exchange purposes.

(E)

Grand Blanc, March 15, 1838.

R. J. S. Page, being duly sworn according to law, deposes and says: That he is the cashier of the Farmers' Bank of Genesee County, located in the village of Flint, in the county of Genesee; that he was appointed cashier on the 4th day of January, in the place of R. M. Morrison; the bank went into operation a few days previous to his appointment; that the bonds and mortgages had been approved, and the president and directors were appointed; Horace R. Jerome was the president. The notice filed in the Secretary of State's office, and published, named the location of said bank at the Flint Rapids, a place about six miles distant, the intended place of resident of the president. That the bank never went into operation at that place, but all its business was transacted at the Flint village; the capital stock was one hundred thousand dollars.

The amount of fifteen hundred dollars, or thereabouts, principally in silver, was in the bank at the time he took charge of the business as cashier; this sum he sent to Detroit, at the request of Delos Davis, one of the stockholders, to meet a specie certificate of that amount from the City Bank of Detroit, which had been sent to him by the said Davis--the certificate was for the redemption of the notes of the bank; that he does not know whether the thirty per cent. required by law, previous to the bank going into operation, was or was not paid in; that he (the said cashier) was made a director when appointed cashier, and was alone at the bank, and had not it in his power to counsel the directors or president in regard to transmitting the specie to Detroit to meet the certificate aforesaid; that if the aforesaid thirty per cent. had ever been paid in, it had been withdrawn from the bank previously to his taking charge of the bank as cashier.

That Horace R. Jerome was appointed by the applicants, under the law, as the treasurer of the bank; that he (the said Page) was one of the original subscribers to the stock of said bank; that the manner in which he paid in his first installment of the ten per cent. was as follows: he received from the treasurer of the bank a specie receipt of five hundred dollars, for which receipt he gave his note for five hundred dollars, payable to the cashier of the Farmers' Bank of Genesee, in specie; this took place previous to his subscribing for the stock; when he subscribed for his stock, he presented to said Jerome, treasurer of the bank, the said receipt, and received from him the notes given him (the said Page) as aforesaid; that his stock was taken by him, (the said Page), at the request of said Jerome, expressly for the said Jerome, he not intending to take any stock on his own account; and that he accordingly transferred the said stock to the said Jerome, as agreed upon, immediately afterwards; that when he was appointed cashier, the said Jerome transferred to him one hundred shares of stock, upon which no per centage had been paid in; and that he gave his note for fifteen hundred dollars, payable to the cashier of the said bank, as his installment of thirty per cent. on said stock; since which time he hastaken up said note, by paying into the bank fifteen hundred dollars in the notes of said bank. Stock-notes of a similar character were given in at the same time, and in the same manner, by all the stockholders; and, so far as he has any knowledge, he has reason to believe the receipts to the stockholders now in the bank,

from H. R. Jerome, as treasurer, were taken for the original instalment of ten per cent. as specie, in the same manner as his own was taken by said bank, with the exclusion of the sum of fifteen hundred dollars, or thereabouts, which was in the bank as before mentioned in specie; whether this was paid in on the stock-notes or not, or whether it came into the bank afterwards, he does not know. No specie was paid into the bank while he was cashier, except the sum of sixty dollars, by Albert Miller, of Saginaw, a stockholder and director; which sum was endorsed on the stock-note in part payment of the same.

A few days since, W. W. Gitt, of Detroit, transferred to him (the said Page) fifty shares of stock, on which nothing whatever had been paid; and the stock-note of the said Gitt was given up to him. Forty shares were likewise transferred to him by E. R. Ewing, of Flint, on which no instalment had been paid; and his stock-note was likewise surrendered to him, (the said Ewing).

On the 17th day of February last, at a regular meeting of the stockholders, agreeable to notice given according to law, for the purpose of choosing directors, and transacting the general business of the bank, he (the said Page) had power of attorney covering a majority of the stock. At this meeting James Cummins was appointed a director in the place of E. R. Ewing, whose place was vacated by transfer of his stock, and Peter Stiles in the place of R. J. S. Page, who had resigned as director. That he took the transfers of said stock, at the request and solicitation of the said Gitt and Ewing, but that he did not consider the transfers as legal ones; and, therefore, neither entered the transfer on the books of the bank, nor gave any stock-notes of his own for the said shares.

After he became cashier of the said bank, bank bills to the amount probably of twenty-five or thirty dollars, signed by H. R. Jerome as president, and R. M. Morrison as cashier, were burnt by the said Jerome, after having been redeemed by the bank, not wishing to have bills in circulation with the names of different cashiers; that he has no means of knowing what issues of notes bearing the signatures of Jerome and Morrison were put in circulation, there being no entries on any book of the bank designating the issues; that, since he has been cashier, he has signed bills to the amount of one hundred and sixty-five thousand dollars. Of this amount, he has put in circulation, on discounted paper of others, and the ordinary expenses and business transactions of the bank, probably about ten thousand dollars. Of the amount signed as aforesaid, the president, (H. R. Jerome) took into his possession about fifty-four thousand dollars, expressly for exchange purposes, for which he left a note, which, he thinks, is in the hands of Delos Davis of Detroit. There remains in the bank redeemed bills to the amount of between three and four thousand dollars. There is also the sum of fifteen hundred dollars in the Detroit City Bank, redeemed by it by the specie deposited there as aforesaid. The balance of the said amount, signed by him as aforesaid, was placed in the hands of Delos Davis and Rufus Brown, jr., of the city of Detroit, for the purpose of exchange—those persons being agents for the bank. That he knows of no other indebtedness of the bank, except it be for the engraving of the bills and the services of the officers; that, at two different times, certificates of deposits were given by the bank to the (Exchange Bank of Shiawassess) the first was in the of David Root, as stockholder of said bank, and, at the same time, a receipt

was taken of him to cover the amount; this certificate was for the sum of twelve thousand dollars. The second is in the name of Simpson Buck, also a stockholder in the said (Exchange<sup>4</sup> Bank), for the sum of twelve thousand dollars. This certificate was given to George W. Clarke, the cashier of said bank, and at the same time Simpson Buck's receipt was taken, covering that amount. The first was given to commence the operations of said Exchange Bank of Shiawassee, and the second for the purpose of making a report of the condition of said bank. The first certificate was given under the instructions personally given to me by Mr. Buck, a director of the Farmers' Bank of Genesee; <sup>22)</sup> the second, by written instructions from the same director. No entries were made of these transactions in any book of the bank.

To meet the liabilities of the bank, there is in the bank discounted paper to the amount of between six and eight thousand dollars, as he thinks. There are receipts in the bank given by various directors and stockholders, for various sums, amounting to probably about two thousand dollars; which sums were taken by them for exchange purposes. Notes for the amount taken by Horace R. Jerome, Delos Davis, and Rufus Brown, jr., were given by them for the respective amounts received by them for exchange purposes, as aforesaid. No returns have been made of exchange paper or otherwise, from either of the aforesaid persons. The notes given as aforesaid, by Jerome Davis, and Brown, were left by mistake in Detroit. That he prepared a statement, early in January, of the affairs and condition of the Farmers' Bank of Genesee, as cashier, in which he showed an amount of twenty thousand dollars in specie on hand. This was made up by certificates of deposite, as follows: One from the (Bank of Oakland, <sup>39</sup>) signed by Daniel Leroy, president, for the amount, he thinks, of ten thousand dollars; another, from the (Clinton Canal Bank, <sup>35</sup>) for ten thousand dollars. He thinks the last was signed by William S. Stevens, president. Those certificates were loaned for the purpose of enabling a statement to be made. No deposits were actually made. The certificates were to be returned on the same day on which they were received. These transactions took place, and the statement was made up, at Pontiac, where he went for that purpose. Mr. Jerome was with him, and received the statement, and took it himself to Detroit. This statement was signed by the president and cashier. In Detroit, the president supplied a deficiency of ten thousand dollars, which was necessary to make the exhibit of thirty thousand dollars, (the thirty per cent. necessary to be paid in). The statement, as filed with the commissioner, must have been signed by himself alone, as it exhibited thirty thousand dollars, being the full amount necessary as aforesaid.

He also prepared a statement of the condition of the bank, dated the 1st of February, and also an answer to the interrogatories of the Legislature. The statement and interrogatories were based upon the following facts: The specie in the bank, and the personal property of the bank, (which was considered as specie), was two thousand dollars. Ten thousand dollars in silver was brought and paid into the bank at the time, by Davis and Brown, (Delos Davis and Rufus Brown, jr.,) from Detroit; two certificates of deposite--one of five thousand and one of fifteen thousand dollars. The last certificate of fifteen thousand dollars was from the (Farmers and Mechanics' Bank, and signed by John A. Welles; as also was the one for five thousand dollars, as he thinks. The specie and certificates were there for four or five days, and were taken away again by the same persons, with the express understanding that they were taken by them as agents for the bank. That he went in with Messrs. Davis and Brown aforesaid

to Detroit, and there signed and filled out all the bills mentioned above as signed by him as cashier of the Farmers' Bank of Genesee. This was about the 6th of February, he thinks. The bills were all dated the 4th day of January.

The deponent further states, that, on the 10th day of March instant, Delos Davis, a stockholder of the bank, came to him at the bank, and stated that the bank commissioners would probably be there on Monday or Tuesday, and that he had on the way ten thousand dollars to place in the vaults of the bank for the purpose of examination by the commissioners. He said it was in charge of Dr. Scovill, and would be at Grand Blanc that night, (the 14th); that he ((the said Page) refused to receive it unless it was the bona fide property of the bank, and to be used for its business; and told him, unless it could be so considered and used, he must take it away again. He (Davis) replied, that if I thought it was best to do so, it should be done. He (Page) told him that the exhibition of this money would give an increased currency to the bills, which, under the circumstances and condition of the institution, he was not willing to countenance; and should not receive the money, except in the manner above stated. He knows nothing further of this specie.

He further states, that there is no set of books open in the bank, and never has been; that the papers are in the bank, in the charge of his wife, with directions to give the key of the bank to the commissioners; that he has no papers with him here to refer to, to correct his recollection in regard to sums and dates, but that the same are as accurate as his recollection now enables him to present.

R. J. S. PAGE.

Sworn and subscribed in the presence of the undersigned bank commissioner.

K. PRITCHETTE.

Vol 5, 1839-40

Section 5.

Bank Commissioners' report, made to the Legislature April 6, 1838.

The undersigned, in obedience to the resolution of the honorable the House of Representatives, have the honor to report: That, immediately upon the appointment of the present board of commissioners, they commenced the important duty of examining the institutions subject to their inspection, and have been constantly and assiduously devoted to the arduous task to the present time. It is a subject of regret, that the time allowed them has not yet been sufficient for the investigation of all the moneyed institutions subject to their supervision, previous to the resolution of the House.

It was the design of the commissioners, at the earliest period possible, to have presented to the Executive, agreeably to the provisions of the statute, a detailed account of the condition of all such institutions. This would have enabled them to have presented, at one view, the resources, responsibilities, and condition of the several banks, in such a manner as to enable every individual to judge of their solvency, and to obtain a correct idea of the pecuniary condition of our State institutions.

*evident that  
an error  
exists above  
should be*

The early call of the House for information as to those institutions which have been examined, added to the interest which the whole community feel in this important matter, have induced the undersigned to lay before the Legislature at this time such information as a partial examination has placed in their possession.

The absence of our associate, Thomas Fitzgerald, Esq., who is now engaged in the western portion of the State, in the examination of the banks located within the limits of the third judicial district, prevents his joining in this report. This is especially to be regretted, since we are unable thereby, for want of information to give the result of his investigations into the condition of the banks in the last mentioned circuit. There are established therein two chartered banks, a branch of the Bank of Michigan, and eleven banking associations, organized under the act to organize and regulate banking associations. Of the affairs and condition of these, the undersigned have reason to believe a report will, at an early day, be made by Mr. Fitzgerald.

In the first and second judicial circuits, there are nine banks established under special charters, which are subject to the examination of the commissioners. (The Farmers and Mechanics' Bank of Michigan), the (Bank of Pontiac), and the (Bank of Macomb County), (all of which are chartered institutions) not having given their assent to the provisions of the "Act suspending for a limited time certain provisions of law," &c., are not subject to such examination. There are also established within the limits of the said circuit, under the "Act to organize and regulate banking associations," and the amendment thereto, thirty-three banks.

To the institutions located in the first and second judicial circuits, the investigations of the undersigned were confined. Of the banks therein above

enumerated, four have done nothing more than to organize and file their certificates in the office of the Secretary of State; these are the Commonwealth Bank<sup>3)</sup>, at Tecumseh; the Bank of Auburn<sup>5)</sup>, in Oakland county; Citizens' Bank, at Ann Arbor<sup>11)</sup>; and the Adrian Bank<sup>2)</sup>, at Adrian. No bills have been issued by either of these banks.

The Farmers' Bank of Sharon<sup>10)</sup>, and Saginaw City Bank<sup>4)</sup>, the Detroit City Bank<sup>3)</sup>, the Bank of Michigan<sup>8)</sup>, and the Michigan State Bank<sup>6)</sup>, have not yet been visited by the commissioners.

Annexed are the statements of all the banks within the said circuits, <sup>(see table 1)</sup> with the exceptions above named, exhibiting their resources and liabilities, as sworn to on the day when the said institutions were respectively examined. The accompanying exhibit will display, under appropriate heads, much useful information relative to the affairs and condition of the institutions of the State. From the examinations which the undersigned have been able to make, they have reason to believe that, in the main, these statements are correct. In the instance, however, of the Bank of Manchester<sup>4)</sup>, facts have been developed which have destroyed their confidence in the statement of its condition made by the cashier of the institution, under the solemnities of an oath. Such measures have already been taken to secure the interests of the billholders, that there is reason to hope that no loss will be sustained, and no great delay in the discharge of the responsibilities of the bank suffered, by its creditors. In the meantime, investigations are in progress which will enable a full history to be made of the transactions of its officers and the condition of its affairs. In the instance, also, of the Farmers and Mechanics' Bank of Pontiac<sup>5)</sup>, there is reason to doubt the accuracy of the statement as to the amount of its specie in bank, reported as the bona-fide property of the institution. The facts in this case, likewise, when maturely developed, will be duly reported to the proper authorities.

The commissioners have deemed it an object of the highest importance to see that in all instances ample securities were given by the directors and stockholders for the final discharge of the liabilities of the several institutions. The securities by bonds and mortgages of unincumbered real estate, required by the sixth section of the amendment to the general banking law, are in some instances already perfected; in others, they are now in preparation.

In this first examination, many things were exhibited in the transactions and condition of institutions requiring change and correction; and it has been the intention of the commissioners to have every institution under their control put into a proper and safe condition, which will insure public confidence. The annexed statements and exhibits will present some instances where such changes have been required, and have since been made.

A second visit to these institutions, which will be made without delay, will enable a more explicit exposition of facts, and a more complete exhibit to the public of their true condition.

In the examination, the following banks were found in such condition, and their transactions in relation to the provisions of law under which they

were established, of such a character, that it was necessary to apply to the chancellor of the State for proceedings against them, agreeably to the Statute. Injunctions have been accordingly issued against the following banks, viz:

- 22 The Farmers' Bank of Genesee County, at Flint. *see p 2, p 16*
- 34 The Jackson County Bank at Jacksonburg. *this page, 3*
- 11 The Farmers' Bank of Sandstone, at Barry. *-p 6*
- 69 The Exchange Bank, at Shiawassee. *page 11,*
- 17 The Bank of Lapeer, at Lapeer. *page 9*
- 32 The Wayne County Bank, at Plymouth. *p 7*

A detailed report of the examination of the Farmers' Bank of Genesee County is already in possession of your honorable body. The facts connected with the remainder of the abovenamed institutions, against which proceedings have commenced, will now be detailed; for the more full explanation of which, copies of various papers relative thereto are hereunto annexed. The occasion is here taken to remark, that the investigations in some instances are not yet completed, but will be pursued until all the facts are fully developed for the information of the public.

On the 22d day of February last, the undersigned, together with their associate, Thomas Fitzgerald, Esq. visited the Jackson County Bank located at Jacksonburg.

The president and cashier were absent; the bank was in charge of Charles Van Dorn, who had been appointed teller temporarily. The teller presented to the commissioners a letter, from Paul B. Ring, the president, addressed to two of the directors, which expressed the hope that the commissioners would not insist upon an examination at present, for the reason that, in the absence of the writer, satisfactory information of the state of the bank could not be afforded them. The commissioners, however, having expressed their intention to proceed immediately to the examination, the teller expressed his willingness to exhibit the books and papers, and afford such information as was in his possession. Search being made for the stock-book, it could not be found: the teller presumed it to be in the trunk of the cashier, to which he had not access.

On examination of the books of the bank, the following circumstances were exhibited; the names of all persons and corporations with whom accounts had been opened, were written in pencil; the entries in ink. In a few minutes, therefore, the whole face of the business transactions of the bank could have at any time been entirely changed. On the 5th day of November, 1837, there appeared to have been an entry of a specie deposite of \$20,000 in the Farmers and Mechanics' Bank of Detroit. This entry had been erased with a knife, but, on careful examination, the original entry was legible.

There was also an entry of a specie certificate from H. H. Brown & Co., Detroit, for \$10,000. The date of this entry had been also the 5th November. This date had been erased, and a new date substituted. The language of the entry had also been altered, but, being written over, the original words could not be traced. This certificate of deposite was not to be found, and was presumed to be in the hands of the absent cashier. The teller, and Mr. Fitch (one of the stockholders who was present during this examination) were of the opinion that this

certificate was the first instalment of specie paid in.

The commissioners proceeded to an examination of the specie of the bank. Gold coin was exhibited loose in a drawer, which, being counted, amounted to the sum of one thousand and thirty-seven dollars and seventy-eight cents; about \$150, in loose silver, was also counted. Beneath the counter of the bank, nine boxes were pointed out by the teller, as containing one thousand dollars each. The teller selected one of these boxes, and opened it; this was examined, and appeared to be a full box of American half-dollars. One of the commissioners then selected a box, which he opened, and found the same to contain a superficies only of silver, while the remaining portion consisted of lead and tenpenny nails. The commissioner then proceeded to open the remaining seven boxes; they presented the same contents precisely, with a single exception, in which the substratum was window-glass broken into small pieces. The teller, as well as A. F. Fitch, the stock-holder above mentioned, disclaimed all knowledge of the transaction. How, when, or by whom this fraud had been perpetrated, they could not tell. The teller stated that the boxes had been in the bank for some time past; but whether the contents, or any part of the same, had been there within the last twenty-four hours, they did not know and could not swear.

Immediately on the discovery of this fraud, the teller and Mr. Fitch went into an adjoining apartment, and, after a little consultation, produced from under a bedstead two boxes-- one without a lid and apparently full of coin, the other with half a lid and about half full. These they stated to be also the property of the said Bank of Jacksonburg. The commissioners counted the coin in the several boxes above mentioned, and found the contents to be as follows, to wit:

Box 1st contained .....	\$205.43	
Box 2d       " .....	137.50	
Box 3d       " .....	261.00	
Box 4th      " .....	242.25	
Box 5th      " .....	294.00	
Box 6th      " .....	243.00	
Box 7th      " .....	279.50	
Box 8th      " .....	248.50	
Box 9th      " .....	603.00	
Box 10th     " .....	671.50	
Box 11th     " .....	723.50	
		\$3,909.18
The coin not in boxes as above mentioned		
amounted to .....		153.00 in silver
		1,037.78 in gold
Total amount of coin in bank .....		\$5,099.96

On reference to the statement of the bank, dated February 19, 1838, the third day previous to this examination, (which is appended to this report, marked No. 1,) will appear that on that day the bank claimed, under the signatures of three of its directors, to be possessed of the sum of \$20,000 in specie, independent of the certificate of deposite for \$10,000. This statement

was copied from the statement-book of the bank, and is certified by the teller as a correct copy of the same. So disgusting an exhibition of dishonesty and falsehood is unworthy of a single comment. The condition of this institution at the time of the examination, as drawn from the exhibit made at that time by the teller, would appear to be as follows, to wit:

Resources.

7422,1838. 34

Discounted notes and other loan	\$37,694.42
Due from other banks	4,341.00
Bills of other banks	3,189.00
Specie	5,099.96
Certificate of deposite	10,000.00
Expense account	939.32
	<hr/>
	\$61,263.70

Liabilities.

Capital	\$30,000.00
Circulation	44,940.00
Deposites	586.49
Profit and loss	439.00
	<hr/>
Total liabilities	\$75,965.49
Total resources	61,263.70

Showing a deficit of resources to meet its liabilities of 14,701.79  
 If to this be added the certificate of deposite of. 10,000.00  
 (which could not be found, and which it is probable is not a real asset of the bank,) and also bills of the bank put in circulation and not entered upon any book which was accessible to the commissioners, and which subsequent information has shown to be 20,000.00

There will appear to be a real deficiency of assets to meet the liabilities of this bank of 44,701.99

Such is the character and condition of the Jackson County Bank

On the 23d day of February last, the commissioners entered into an examination of the condition of the Farmers' Bank of Sandstone, located at Barry, in the county of Jackson.

The certificate of this bank was filed, according to law, in the office of the Secretary of State on the 29th January, 1838. The capital stock was named as \$50,000. The security furnished was the personal bond of the directors. The thirty per cent. on the capital stock, required by law to be paid in specie, was never actually so paid in, but a certificate of specie deposite appears to have been used instead of coin.

No stock-book was ever opened, and no list of stockholders or directors was posted up in the banking-house. The list of stockholders and officers of the bank hereunto annexed, (marked No. 2,) was furnished by H. N. Baldwin, the cashier. The following statement, prepared and signed by the cashier at the date of the examination, exhibits the condition of this institution as stated by the officers:

Statement of the resources and liabilities of the Farmers' Bank of Sandstone, February 23, 1838.

Resources.

Bills discounted .....	\$6,985.00
Notes of other banks.....	400.00
Specie .....	236.00
Expenses and profit and loss.....	161.69
In agents' hands, for exchange.....	27,424.00
	<hr/>
	\$35,507.16
	<hr/>

Liabilities.

Capital stock paid in .....	\$15,000.00
Deposites .....	450.00
Discounts received .....	80.82
Circulation .....	46,933.00
	<hr/>
	\$62,463.82

If from the amount of liabilities as above stated, viz: \$62,463.82, we deduct the amount of resources, \$35,507.16, it will exhibit a deficit in the means belonging to the bank for the payment of its debts of \$26,956.66. The discounted bills, notes of other banks, and specie, were found in the bank as exhibited in the above statement. The amount of \$27,424, as specified therein as in the hands of agents for exchange purposes, appears by receipts in the bank to have been advanced to the following persons, viz: to L. D. Smith, (president) \$17,000; A. Clark, (teller), \$10,000; G. Butler, (director), \$424. For these amounts no security was taken, other than the receipts of the abovenamed individuals.

The circulation is stated above at \$46,933.00, but no entries were made in the books from which the actual sum could be ascertained; and there is reason to believe that the amount actually in circulation in the community, and in the hands of agents for that purpose, greatly exceeded the sum specified. The entire issues of this bank were made in violation of the law, without endorsement by a bank commissioner. An account of the discounted bills mentioned in the above statement was entered in a book in the bank, but no other book of entries was kept, from which any thing could be discovered

of the affairs of this institution. There was, indeed, a book presented, purporting to be the cash-book of the bank, in which entries were made exhibiting the pretended amount of specie, foreign notes, and domestic bills, in bank on the morning and evening of each day, for a large proportion of the time after the bank went into operation. But so clear was the evidence that the entries were made for the purposes of deception, and the whole prepared for the occasion, that it was entitled to no consideration.

The investigation of the Wayne County Bank, <sup>32</sup> located at Plymouth, in the county of Wayne, enables the undersigned to present the following statement of the mode in which this institution was established, its subsequent transactions, and present condition.

This bank was organized and went into operation on the 13th day of December, 1837, with a capital of \$100,000.

The ten per cent. required to be paid in on the capital stock, in specie, at the time of subscribing, was paid in by depositing with the treasurer checks for specie drawn by the stockholders on the Michigan State Bank. These checks have never been presented to the last mentioned bank, but still remained, at the time of the examination, in the safe of the Wayne County Bank.

When the bank went into operation, two certificates of specie deposits for \$15,000 each were obtained by the president, J. D. Davis, "to the credit of the Wayne County Bank," <sup>32</sup> subject to the order of the cashier thereof, signed by H. H. Brown & Co. The arrangement by which the abovementioned certificates were obtained seems to have been through McClure, the cashier of the Bank of Clinton, <sup>40</sup> with the president of the Wayne County Bank. <sup>32</sup> What that arrangement was, does not fully appear; but the cashier of the last named bank stated that McClure claimed a loan of the bank, which he said had been promised him, and threatened to withdraw these certificates if it was not given. This loan to McClure was refused. The cashier of the bank had so little confidence in the certificates, as he stated, that he had made no entry of them upon the books of the bank, nor did he consider them as a payment in fact of the thirty per cent. required by law. There has been actually paid in by the stockholders, in specie, on their stock, the sum of \$750. The amount of specie in bank at the time of the examination was \$3,425.10, a large proportion of which had been deposited by stockholders, and the amount was subject to the draft of the depositors. The following is a statement of the funds of the bank, made on the 13th day of February last.

Statement of the funds of the Wayne County Bank, <sup>32</sup> February 13, 1838.

Resources	Liabilities
Bills discounted ..... \$24,391.23	Capital stock paid in ..... \$10,200.00
Discounts received ..... 364.87	Circulation ..... 31,326.00
Specie ..... 12,110.60	Profit and loss ..... 52.04
Notes of other banks .... 4,597.00	Individual deposits ..... 2,198.98
Cash items ..... 1,991.55	43,777.02
Incidental expenses ..... 321.77	
\$43,777.02	

In this statement, the amount of specie, \$12,110.60, comprised the abovementioned checks for specie, and \$415 in specie, at that time actually paid in on stock. The specie checks were included in the amount of \$10,200 then exhibited as the amount of capital stock paid in.

The following is a statement of the affairs and condition of the bank, furnished by the cashier on the day of the examination of the same, March 8, 1838.

Resources

32

Loans .....	\$23,516.23
Expense and furniture account .....	346.27
Bills of other banks .....	5,738.00
Specie .....	3,426.10
Cash items .....	11,557.89
	<u>\$44,583.49</u>

Liabilities

Stock paid in .....	\$750.00
Circulation .....	34,779.00
Deposites .....	9,054.49
	<u>\$44,583.49</u>

In this statement, it will be perceived that the specie checks are no longer estimated as an amount paid in on the capital stock of the bank; and the sum of \$750, therein set down, was actually paid in specie, and possessed by the bank. On the other side of the statement, however, under the head of "cash items," these specie checks to the amount of \$9,750 are made use of as among the resources of the bank. It will be at once observed that these checks cannot be used by the institution among its resources, without incurring a responsibility to the same amount to the drawers thereof; and that they should, if so considered, be also put down on the side of liabilities, as stock paid in. If they are added to the side of liabilities, or deducted from the statement of the resources, (which will produce the same result), there will be exhibited a deficit in the resources of the bank of the said sum of \$9,750. The balance of the amount of "cash items" is composed of a post-office draft and loans to individuals, subject to immediate demand. It is probable, however, that some error must have occurred in the statement, and that the deficit above mentioned does not really exist—at least not to the amount above stated. Bills of the bank to the amount of \$6,000 were delivered to James H. Mulford, of Illinois, to be put into circulation there, and accounted for or returned by him by the 1st of April instant. His obligation with securities was taken to the bank; and it is presumable that the cashier, by mistake, failed to enter it among the loans or other resources of the institution in the statement here exhibited. This, however, cannot now, with certainty, be ascertained.

No list of the stockholders could be obtained at the bank, and no stock-

book had ever been opened, nor list of stockholders or directors ever posted up in the banking-house.

By reference to the books of the bank, and the statement of the cashier, it appeared that the bank has issued its bills since the 10th January last without endorsement by a bank commissioner, to the amount of \$4,000. The amount due from the directors of the institution was at that time \$15,500-- an amount far exceeding that allowed by law.

The security given for the final discharge of all liabilities of the bank was the personal bond of the directors alone, in the penalty of \$300,000. Additional securities were required by the commissioner who visited the institution; but the same not having been perfected as agreed upon, application was made to the chancellor for the institution of proceedings, agreeably to the provisions of the statute in such cases made and provided.

The next institution of a similar character, which underwent the examination of the undersigned, was "the Bank of Lapeer," located at the county seat of Lapeer county. This bank went into operation on the 8th day of December, 1837, with a capital of \$50,000. About \$1,000 of the 30 per cent. on the capital stock, required to be paid in in specie, was so paid in; the greater proportion, however, of the amount, was in a certificate of specie deposite, issued by "the Farmers and Mechanics' Bank of Michigan." This certificate was obtained by A. Goodrich, one of the directors of the Bank of Lapeer, who procured it by giving his check for the amount, of the same date, and without making any actual deposite in the bank. The amount of this certificate was \$15,000. It was considered as applying on the subscriptions of different individuals who held shares of stock, and amounted, when added to the specie paid in, to more than the sum required. No entry, however, appears by the books in the bank ever to have been made of this certificate; nor were any regular accounts ever opened with the stockholders, except such as appears in a minute taken from the books, hereto appended. The certificate was taken away a few weeks afterwards by the said Goodrich.

Norman Davidson was the president of the institution from the commencement of its operations until the 1st day of February last, and Alvin N. Hart was cashier until the 12th day of the same month. J. T. Benedict was then chosen president, and S. D. Cady cashier. The last named individuals (the present officers of the bank) being both absent at the time of the examination, and the books in a very imperfect state, the testimony of the former cashier and two of the directors was resorted in for information. Their affidavits will be found among the annexed papers.

The following is a statement of the affairs and condition of the bank at the time Mr. Hart resigned, as cashier, as near as he can ascertain, viz:

Resources

Bills discounted .....	\$20,893.00
Specie .....	1,201.77
Cash left in hands of H. H. Brown & Co. ....	2,125.50
Aaron Goodrich, (on check) .....	40,000.00
	<u>\$64,220.27</u>

Liabilities

Capital stock paid in .....	\$15,000.00
Circulation, (say) .....	65,000.00
Expense account, (say) .....	1,000.00
	<u>\$81,000.00</u>

The books exhibit issues only to the amount of \$22,000; but, from the estimates made by Mr. Hart, at least the amount of \$65,000 must have been in circulation on the 12th of February last. There was, also, in the bank at that time, in sheets, signed by the former president and cashier, (say) \$10,000; which has been taken out, and probably thrown into circulation. Bills also signed by the new president and cashier are in circulation; but to what amount, there is no means of ascertaining. Bills with the last mentioned signatures, to the amount of \$800, were found in another institution.

Discounted paper, as specified in the annexed affidavit of H. B. Lynn, was found in the bank, amounting to \$19,393; also, specie to the amount of \$1,201.77.

No entries or evidences of debt were found in the bank against H. H. Brown & Co., or Aaron Goodrich.

The testimony of Mr. Hart shows that another book, kept by the bank, and in which certain entries were made by him as cashier, was delivered to the present cashier, S. D. Cady. This book was not to be found in the bank.

There was also exhibited to the undersigned, as one of the books of the bank, a book purporting to be the "cash-book", kept by the cashier. In this book the amount of specie on hand was entered on the morning and evening of each day, commencing on the 2d day of January, and ending on the 10th day of February last. It showed the sum of \$15,000 in bank from the 2d day of January to the 16th day of the same month; and from that date a gradual diminution of specie, until the amount was only \$1,200.09.

The entries were apparently all made at the same time, and with the same pen and ink; and it was ascertained, to the satisfaction of the commissioners, that the entries were so made soon after the present officers took possession of the institution, and were prepared for the purpose of exhibiting the same as the true statement of the cash affairs of the bank. That the entries were false, will fully appear by a reference to the facts above stated. The annexed affidavits of H. B. Lynn, teller in the bank, A. N. Hart former cashier, and Aaron Goodrich and B. F. Towne, directors, (marked Nos. 3, 4, 5, and 6,) will more fully exhibit the affairs of the institution, and the transactions of its officers.

The securities for the final discharge of the debts of the bank consist of the personal bond of the directors and mortgages upon real estate.

69) p 1209

The Exchange Bank of Shiawassee next claimed attention. This institution was established and went into operation on the 3d day of February last, in the county of Shiawassee. The individuals most active in organizing and conducting the business of the association were residents of the State of Ohio and the city of Detroit.

The subscribers to the capital stock who resided in the county of Shiawassee seem to have been induced to embark in the enterprise at their solicitation. Securities, consisting of bonds and mortgages, which may probably be sufficient to cancel the debts of the institution, were chiefly given by them. It seems, upon investigation, that the resident stockholders knew little of the management or concerns of the bank. At the time of the visitation of this bank, which was on the 19th day of March last, the president and cashier were both absent. The key of the safe was delivered to the commissioner by Lemuel Brown, one of the directors, who had obtained it from the president. It contained an imperfect set of books, which, however, were said to contain all the entries made by the officers of the bank.

The paper marked (A) and hereunto annexed, exhibits the entry in the only book which is intended to show who are the stockholders of the bank. The paper marked (B) is a copy of the only entry giving the names of the directors and officers. It appears that the individuals who solicited the inhabitants of Shiawassee county to become subscribers to stock, promised to advance, themselves, all the specie requisite to put the institution into operation; and, indeed, notes for their proportional amount were given by some of the subscribers, payable in thirty days, in specie; while of others, no such notes were required. These notes were afterwards given up by said Brown.

No part of the capital stock of the bank appears ever to have been paid in. Two certificates of specie deposits were obtained from the Farmers' Bank of Genessee County, for which discharges were given at the same time they were received, and intended to be used in the bank. Another certificate seems to have been put into the bank, purporting to be issued by the New Haven Bank, for \$3,000; which was afterwards sold, but soon returned to the bank as a forgery. Seven coppers were found in the safe. No other coin appeared at any time to have belonged to the bank. No bills of other banks were found. There was one counterfeit note of \$500 on one of the New York banks. There is but one entry in the books purporting to show the issues of the bank. The amount which then appears to have been issued is \$4,875. By reference, however, to a statement found in the bank, a copy of which marked (C) is hereunto annexed, it will appear that there have been issued, of the bills of the bank, \$34,326. At the time of the examination, there were found in the bank, in its own bills, returned, the sum of \$8,933, which, if the statement be correct, would exhibit a circulation of \$25,393. There appears, also, to be due on expense account, and to depositors, the sum of \$291.13.

The statement before referred to exhibits the amount due from individuals to the bank at \$20,961.37½.

Endorsed notes, hereunto annexed, (marked D), were found in the bank, amounting to the sum of .....	\$4,242.65
Exchange checks and receipts .....	\$2,900.00
Receipts and notes in the hands of A. Morehouse (president), for collection, for which his receipt is given, and in bank..	6,520.00
	\$13,662.65

For the other items, which appear by the statement to be due, no evidence of the debt was found in the bank.

In the statement above referred to, the cash in bank, which is stated at \$14,174, was made up, so far as can be ascertained, by the certificates of deposit above mentioned; no cash ever having been actually the property of the said bank.

The affidavits of Hosea Baker and Lemuel Brown, two of the directors, hereunto appended, (marked E. and F.), will exhibit more explicitly the transactions of this bank.

All of which is respectfully submitted.

ALPHEUS FELCH

KINTZING PRITCHETTE,

Bank Commissioners.

Detroit, April 6, 1838.

BANK OF MICHIGAN

Reported by Bank Commissioners

March 29, 1838

In obedience to the resolution of the Legislature of the 26th instant, requiring the bank commissioners, or either of them, to report forthwith to the Legislature the condition, affairs, &c. of the (Farmers' Bank of Genesee County,) the undersigned have the honor to report:

That, on the 15th day of March instant, they had an interview with Robert J. S. Page, the cashier of the Farmers' Bank of Genesee County, from whom an affidavit was obtained setting forth the establishment, condition, and management of the said institution: a copy of which affidavit is hereunto annexed, and to which reference will be hereafter made in the progress of this report.

On the 16th instant, the undersigned visited the banking house of the said institution, and obtained free access to the books, papers, and property of the same. The president and cashier were absent, and there was no officer in charge of its affairs. It appeared, on examination, that no set of books had ever been kept. A stock-book was found, in which was pasted a sheet of paper containing the original subscriptions to the stock of said bank; the subsequent transfers were exhibited in this book, in the handwriting of the cashier. A copy of the contents of the stock-book is contained in the accompanying paper, marked (A) (22, p 1)

A book containing the proceedings of the board of directors, from the 30th of December, 1837, to the 17th February, 1838, was also found in the bank. By the entries in this book, it appears that, on the 30th day of December, 1837, at a meeting of the stockholders, an election of directors took place; after which, at a meeting of the directors on the same day, H. R. Jerome was elected president, and R. M. Morrison appointed cashier. The security of the bank, consisting of a bond of \$250,000, was filed and approved by the treasurer and clerk, and the bank commenced operations. On the 4th day of January a new appointment of cashier took place; and Robert J. S. Page being duly chosen, took the oath of office. For further information herein, reference is made to a copy of the contents of said book, accompanying this report, marked (B) No other books of any kind appeared to have been kept by the said institution. (52 p 1)

A file of notes, designated generally on the face, the remainder by endorsements, as "stock-notes", and a file of receipts given to the several subscribers to the stock, by H. R. Jerome, as treasurer of the bank, were examined by the undersigned, and a list of the same made; copies of which

are herewith transmitted, marked (C). A list of the file of discounted notes and receipts for the bills of the bank, taken for the purpose of exchange, was also made by the commissioners, a copy of which is likewise transmitted, marked (D). Unendorsed notes were also discovered to the amount of \$168,656.50, of the following dates and tenor, to wit:

(82 P 2)  
Two notes given by H. R. Jerome—the first dated Flint, January 4th, 1838, payable five years after date, for the sum of \$8,358.50; the second dated at Detroit, February 8th, 1838, payable five years after date, for the sum of \$54,000.

Two notes given by Delos Davis—the first dated at Flint, January 4th, 1838, for the sum of \$300, payable five years after date, and signed D. Davis; the second dated at Detroit, February 8th, 1838, payable five years after date, for the sum of \$50,628, and signed Delos Davis.

Two notes given by R. Brown, jr.—the first dated at Flint, January 4, 1838, payable five years after date, for the sum of \$1,500; the second dated at Detroit, February 8, 1838, payable five years after date, for the sum of \$51,170.

The above-described notes, dated January 4, 1838, are made payable to "the president, directors, and company of the Farmers' Bank of Genesee County". Those bearing date February 8, 1838, are made payable to "the Farmers' Bank of Genesee County, Michigan". None of the abovementioned notes, of either description, bear interest.

The bills on the bank signed by H. R. Jerome, president, and R. J. S. Page, cashier, were counted by the commissioners, amounting to the sum of \$3,455. No specie nor foreign bills of any description were among the assets of the bank. Two packages of bank-bills unexecuted, containing eighteen hundred sheets of the smaller denomination of notes, were found in the bank.

The undersigned have briefly stated the results of their examination of the condition and effects of the Farmers' Bank of Genesee County. With a view, however, of presenting to the Legislature a complete exhibit of their investigations, as contemplated by the scope of the resolution of your honorable body, they proceed herewith to present a succinct account of the manner in which this institution appears to have been put into operation, and its subsequent transactions, so far as they are informed.

The application made for the formation of the association, under the first section of the "Act to organize and regulate banking associations," and the certificate filed in the office of the Secretary of State, agreeably to the twelfth section of said act, set forth the location of its office for the transaction of business as at "Flint rapids". No office, however, was ever opened at that place. The banking-house was at Flint village, about six miles distant, and all its business was transacted there. The capital stock was one hundred thousand dollars. The treasurer, appointed under the second section of the beforementioned act, was Horace R. Jerome, now the president of the bank. The securities given in compliance with the 11th section consisted of bonds and mortgages, copies of which are filed in the office of the county clerk of Genesee.

The originals have never come into the hands of the commissioners, nor have they been enabled to ascertain where they are to be found. It is not certain that any part of the first ten per cent. was ever paid in, in specie, agreeably to the seventh section of the banking law. The whole amount of specie which appears at any time to have been the bona-fide property of the bank was about one thousand five hundred and sixty dollars; but whether paid in as a percentage on its stock (if we except the sum of sixty dollars) cannot be ascertained. The mode in which the payment of the first ten per cent. in specie was evaded, appears to have been as follows: The subscribers to the stock gave to the treasurer of the bank their individual notes for the amount of the instalments payable in specie. These were designated "stock-notes." The Treasurer gave them, in return, receipts for specie to a like amount as having been paid in by the said subscribers.

Whether the additional thirty per centum, required by the tenth section of the law, was ever paid in, the undersigned have not been able to ascertain. If paid in at all, it must have been withdrawn within a few days afterwards. There is no evidence, however, that any instalments of the capital stock of the said institution were ever paid in according to law. The specie above mentioned as the property of the bank is said to have been remitted to the Detroit City Bank on or about the 15th of February last, for the redemption of its notes by that institution.

The commissioners have no means of arriving at the amount of issues made by the bank. The cashier, R. J. S. Page, states that about the 6th day of February last he went to the city of Detroit, and signed bills to an amount which he estimates at about \$165,000, all of which were dated the 4th day of January. Bills to the amount of twenty-five or thirty dollars are said to have been burnt. These bills were signed by H. R. Jerome, president, and R. M. Morrison, cashier. Whether any bills so signed are in circulation is not known. There is no entry in any book of the bank designating its issues, or showing the amount of its liabilities.

To meet the liabilities of the bank, there are discounted notes (principally endorsed paper) to the amount of \$10,965; receipts, given by individuals who received bills for "exchange purposes," amounting to \$1,170. To which may be added the notes of Messrs. Jerome, Davis, and Brown, amounting to the sum of \$168,656.50.

A statement of the condition of the bank was made in January by the cashier, which exhibited twenty thousand dollars in specie. This statement was made up in Pontiac, to which place the president and cashier had repaired for that purpose. The exhibit was prepared from the following materials, to wit: A certificate of deposit from the Bank of Oakland, signed by Daniel Le Roy, president, for \$10,000; a certificate of deposit from the Clinton Canal Bank, signed by William S. Stevens, president, for \$10,000. No deposit was made in either case. The certificates were loaned for the purpose of making the statement, and returned to the banks from which they were borrowed on the same day. This exhibit was increased to \$30,000 by the president, in Detroit; by what means the commissioners are not informed.

A statement was likewise prepared, dated the 1st of February, together with an answer to the interrogatories contained in the resolution of the Legislature, based upon the following materials, to wit: The specie in the bank, and the personal property belonging thereto, was estimated at \$2,000; \$10,000 in silver was brought to the bank and paid in by Delos Davis and



Sept 6

Z-4

January 18, 1839

To the honorable the Senate and House of Representatives of the State of Michigan:

The undersigned, the bank commissioner of the State of Michigan, in obedience to the provisions of nineteenth section of the act to create a fund for the benefit of the creditors of certain moneyed corporations, by which it is made their duty, " in the month of January in each year, to report to the Legislature the manner in which they have discharged the duties imposed upon them; and to accompany such report by such abstracts from the reports made to them, and by such other statements as they may deem needful," have the honor, conformably thereto, to present the following report:

The manner in which they have discharged the duties imposed upon them, being the first branch of their present duty, will claim a brief attention, before entering on the subject-matter of their report.

The peculiar embarrassments which they have had to encounter, and the weighty responsibilities consequent thereupon, clothe this duty with a new character. It becomes an act of justice to themselves, and to those who have honored them with so important a trust.

At the period the commissioners entered upon their labors, every portion of the State was flooded with a paper currency, issued by the institutions created under the general banking law. New organizations were daily occurring, and the public mind was everywhere agitated with apprehension and distrust. The State was in the midst of the evils consequent upon an excessive and doubtful circulation. Rumors of the most frightful and reckless frauds were daily increasing. In this emergency, prompt and vigorous action was imperiously demanded, as well by the public voice as the urgent necessity of the case. Upon a comparison of opinions, the commissioners united in the conclusion that their duty was of a two-fold character: the first, and most obvious one, was to take immediate and decided measures in ascertaining and investigating the affairs of every institution suspected of fraud, and closing the door against the evil without delay; the second was a duty of far more difficult and delicate a nature, and involving the assumption of a deep responsibility.

The public interest seemed to require that some distinction should be made between cases of wilful fraud, and those of a mere violation of the law. The first class could proceed but from one motive; the second might arise from misapprehension of the law, inflated views, error,

ignorance, and various other causes, not the least of which were the pressing necessities of those who, being largely indebted, seized the opportunity of present relief, with the expectation that a short delay would enable them to realize the means of redemption.

In those cases where the commissioners could induce securities to be given, and excite vigorous efforts, with any prospect of success, to withdraw their excess of circulation and render certain the final redemption of all liabilities, they considered it their duty to the public to overlook former irregularities, and allow and encourage the banks to sustain themselves, and those engaged in them, to preserve their honor and character. This conclusion was based upon the fear of the dreadful consequences which would ensue should the vast amount of paper-money in circulation be left suddenly in the hands of the community, with no prospect of redemption but through the tardy aid of the laws.

With these determinations the commissioners commenced their labors, and traversed the State in every direction where public apprehension or private information pointed at fraud. The result of their first efforts was placed in the hands of the Legislature, and is on the files of your honorable body.

The second branch of their labors has anxiously and painfully occupied them until this time. How far the gradual withdrawal and redemption of a vast amount of the circulation, the valuable and ample securities obtained, by inducing a compliance with the amended laws in many institutions which they have subsequently found it necessary to enjoin, have justified their interpretation of their duties, and the responsibilities they have assumed, is confidently submitted to a candid consideration.

Had the commissioners confined their sense of duty to the strict letter of the statute, their task would have been comparatively easy, put in no jeopardy their characters and reputation, and restricted their efforts to a less expensive and less arduous service.

The injunctions obtained within the last few months have been numerous. This arises from the fact that the public have ceased almost entirely to receive the money of the safety-fund banks; credit being withdrawn, their notes have accumulated in large sums in a few hands; and, coming home in masses, they have lost the ability, which might have been maintained if presented in small sums, to redeem them; their exertions have been paralyzed; indifference has been manifested in making any provision for them; and the annual instalments have been neglected. The reasons, therefore, which induced the commissioners to second their efforts, have no longer room for exercise; a disposition is manifested to escape liabilities; the dangerous responsibility resting on the commissioners is, therefore, no longer demanded; and the safety of the public, in whose hands the irredeemable paper lies, has satisfied them that the assets and securities should be placed in less interested hands.

The difficulty of maintaining an impartial action has led the commissioners to the adoption of the rule, that the first information conveyed of the insolvency of a bank should be through an injunction. Had the doubtful condition which a bank presented upon investigation been heretofore bruited abroad, it would have been vainly urged to reinstate its credit; and now, when all but the notes of those of undoubted character have ceased to be a currency, the proclaiming the disaster would have no other effect but that of enabling the vigilant, and those nearest the source of information, to dispose of them to their more careless or remote fellow-citizens.

In obedience to the second requirement of the statute, quoted in the opening of this report, three documents, (marked A, B, and C,) being copies of the several reports made to the Executive during the past year, are herewith transmitted, together with an abstract of the statements furnished by the banks, showing their liabilities and resources.

Injunctions have been issued against the Goodrich Bank and the Bank of Oakland.<sup>39</sup> The manner in which the books of the former were kept, and the wish of the stockholders to close their concerns, dictated the course. Its circulation is very small, and will all be paid. The latter institution, having no available means to redeem its circulation, and having failed to pay in the annual instalment required by law, was proceeded against for insolvency and infraction of that statute. Its assets and securities are, it is believed, amply abundant to cover all its liabilities. The Bank of Utica<sup>41</sup> has been also enjoined, for similar reasons with those stated in regard to the last mentioned institution, and the probability of its redeeming all its liabilities rests upon a similar footing.

An injunction was obtained against the Oakland County Bank, which is a chartered institution, for refusal to allow an examination to be perfected, or to furnish a statement of its affairs. An injunction had some time since been obtained against it for an alleged violation of its charter, but removed by an application made by the bank to the chancellor. From the circumstances which induced the previous application, and from the partial examination lately made, the imperative obligations of duty demand the recommendation, which is here made, that the Legislature should authorize a committee to examine into its operations and conditions.

The Saginaw City Bank<sup>41</sup> has been enjoined, on the ground of insolvency. It numbered among its assets, as specie, a certificate for \$15,000, deposited in the city of New York, in the hands of a highly respectable commercial house. On this certificate the president and cashier have always insisted they were authorized to draw. This certificate supplied the place of capital stock of the bank, which had been loaned by the cashier of the Farmers and Mechanics' Bank,<sup>45</sup> through the instrumentality of the late cashier of the Bank of Clinton,<sup>34</sup> to set the bank in operation, and had afterwards been returned. The high standing of the gentleman who had the control of this institution, and the respectable character of the certificate, induced a departure from the

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from the customary rule of the commissioners not to recognise specie certificates.

The assurances of the president, as to its availability in the redemption of the circulation, were received. The conduct of the bank for some time justified this confidence; but, at the last examination, it was perceived that this essential item to the solvency of the institution was still estimated as specie, to the amount of \$13,239, while a large circulation was afloat, which the bank had ceased to redeem on presentation at its counter; it was not, therefore, deemed prudent or safe any longer to recognise as an available asset that which was practically useless. The violation, also of the provision of the statute requiring the payment of the annual instalment, left no choice but the course adopted. The bank had furnished the necessary securities required by the amended act, which with its other assets, should be sufficient to secure its liabilities.

The Clinton Canal Bank <sup>35</sup> is also under injunction. This bank was also put in operation by a loan from the same source; but, subsequently, passed into other hands, from whom abundant security was obtained for the ultimate redemption of its then liabilities. The president, David Paddock, Esq., obtained the control of the bank, and furnished a most valuable part of the securities. Every assurance was received that immediate measures should be taken to lessen its circulation; this, to some extent, was done, but untoward circumstances prevented the immediate fulfilment of the engagement. Subsequently, the stock was transferred to other hands, without any information to the commissioners, who had relied upon the character of the president, (Judge Paddock) who had given so strong a guaranty of good faith by furnishing valuable securities. Assurances, however, were given, on application to the gentleman above named, that the purchaser (J. L. Conger) was then absent to negotiate a loan for the reinstatement of the institution; that nothing had been done, or would be allowed, injurious to the public interest; and that he had ample security from the purchaser to guaranty its safety. The loan, however, was not effected; and it is to be apprehended that a considerable amount of the notes was abstracted and disposed of in a fraudulent manner. No imputation, however, is cast upon the integrity of Judge Paddock, who does not consider himself responsible for the acts of the bank subsequent to the disposal of his stock. He has claimed from the auditor general a release of his securities, by the substitution of those offered by Mr. Conger, under the proviso of the sixth section of the amended act of December 30, 1837. The auditor general, however, under the sanction of the commissioners, has refused to surrender the securities. As no entries were made of the bills abstracted, and as the stockholders, upon the discovery of the fact, burnt all the remaining sheets found in the bank, the amount of circulation is doubtful; yet, so far as can be ascertained by the receiver, from bills in his hands and within his knowledge, there is reason to hope that the securities, if realized, will go far to redeem the liabilities of the bank.

The Bank of Shiawassee<sup>18)</sup> and the Bank of Auburn<sup>5)</sup> have never gone beyond their organization, and are among the cases hereafter mentioned as requiring legislative interference.

<sup>33)</sup>  
An injunction has been obtained against the Bank of Coldwater, it having failed to effect the negotiation mentioned in document marked (C) herewith transmitted, from which the ability was anticipated of redeeming its circulation. Confidence, however, is entertained that it will be able to pay all its liabilities.

<sup>226</sup>  
Application has likewise been made for injunctions against the Bank of Allegan<sup>4)</sup> and the Berrien County Bank<sup>1)</sup>, and judicial proceedings are in process of institution, through the attorney general. In the case of the Bank of Allegan<sup>5)</sup>, the application is a renewal of one made by the late commissioner, Thomas Fitzgerald, Esq., for violations of law and general insolvency. The condition of the Berrien County Bank<sup>1)</sup>, at its examination in July last, is exhibited in the report above mentioned, marked (C). It will there be seen that the operations of the bank were then suspended; that certain requirements were then insisted upon; and that their moneys and effects were removed out of their hands, and beyond their control, until a faithful compliance with these requirements was made. A failure has taken place in the full performance of these engagements, although much has been accomplished in the redemption or withdrawal of its bills from circulation, and in the decrease of its other liabilities. This result proves the correctness of the policy adopted, of suspending the operations of the institution, instead of putting an abrupt termination to its action by a writ of injunction. No further desire, however, on the part of the bank, seemed to exist; at all events, no further effort was made to better its condition; and an injunction was therefore applied for, as above stated.

<sup>19)</sup>  
The People's Bank of Grand River, located at Grand Rapids, which commenced operation in violation of law, was, in consequence, suspended by the commissioner, as reported to the Executive in the document last referred to. On a subsequent visit and examination, the bank at the suggestion of the commissioner, assigned all its effects and assets into the hands of trustees, satisfactory to him, for the benefit of its creditors. This course seemed to be the only proper one to adopt, under the peculiar circumstances of the case. The requisite certificate of organization not having been filed according to law in the Secretary of State's office, the association was, in consequence, not cognizable as a corporate body, or within the jurisdiction of the chancellor. All the indebtedness to the public, with the exception of one or two hundred dollars, has been already cancelled, and no loss will be sustained by the public.

<sup>19)</sup>  
The Farmers' Bank of Homer and the Bank of Battle Creek<sup>5)</sup> have been allowed a reasonable time to effect negotiations of loans, for the purpose of redeeming their circulation, which those having the control of both these institutions are sincerely anxious to withdraw from

the community. The commissioner believed it a duty, in the advancement of the public interest to second these endeavors, (which, without doubt are faithful and earnest) by affording them the opportunity to raise competent means to effect this purpose. This course was pursued under a conviction that the public could sustain no injury, but be materially benefitted, by the measure, by receiving good and current funds for the notes of these banks, in from one to two months at farthest, instead of waiting the result of a protracted process in chancery.

The Bank of Battle Creek<sup>26)</sup>, there is good ground for assurance, will be in possession of the means to effect this desirable object in the course of two weeks, a favorable issue to the pending negotiations for that purpose being confidently entertained.

The Bank of Singapore<sup>16)</sup> has not been visited, the roads being impassable at the time the commissioner was engaged in his tour of examination. An early investigation of its affairs, however, will be instituted, and made the subject of a special report.

The Bank of Manchester<sup>42)</sup> has been engaged solely in redeeming its circulation and discharging its responsibilities. It has reduced its circulation from more than \$100,000 to \$25,514, and its resources are abundantly sufficient to pay all its responsibilities. The stockholders will, however, in all probability, find it for their interest to close the institution.

Besides the banks in the second circuit, included in the list hereto annexed in the general abstract, there has been organized under the general banking law, the Commonwealth Bank<sup>3)</sup> at Tecumseh; the Citizens' Bank<sup>1)</sup> at Ann Arbor; and the Michigan Centre Bank<sup>2)</sup> at Michigan Centre; neither of which has issued bills, although all have given security. In these instances, as in some others, the interest of the community requires, in the opinion of the commissioners, an abrogation of chartered privileges, and a provision of law authorizing the proper authorities, under such salutary restrictions as will secure the public against all possible injury, to discharge the securities given. In the instances above mentioned, and in some cases in the third circuit, it is believed that such a course will be perfectly satisfactory to those who are interested, and who find it no object to embark or proceed in banking operations.

The Millers' Bank of Washtenaw<sup>7)</sup>, at Ann Arbor, with a circulation of about \$400, and the Bank of Superior<sup>13)</sup> at Superior, with a circulation of only about \$50, came to the conclusion, some time since, to close up their concerns. In both instances their bills have uniformly been redeemed, and still are redeemed, on presentation. In these, and other cases, where no possible loss could occur, the commissioners could see no good object in instituting adverse proceedings to close up their concerns by a long and expensive process in chancery; and no authority seems anywhere in the law to be given for an amicable surrender of chartered rights upon payment of responsibilities.

The commissioners would therefore beg leave to recommend to the Legislature a careful examination of this subject. Perhaps the permission of an assignment, to operate as a surrender of chartered privileges, might be given, under the supervision of the commissioners, and made available to any of the safety fund banks now existing, with a view to the immediate payment from their assets of all responsibilities to the public, and a final division of all remaining balances among the stockholders. It would be necessary, also, to provide that, upon the payment of all, or nearly all, of the liabilities of the institutions, the auditor general, with the advice of the commissioners, should have the authority to discharge the securities, or such portion of them as might be deemed proper under the circumstances of the case; or, perhaps they might be allowed, upon application to the chancellor, to settle up their own affairs under his direction.

But, whatever plan should be adopted, in detail, to accomplish the object in view, a law for that purpose cannot be too strictly guarded to secure the public interest. Dormant rights of organized associations cannot, consistently with the public weal, be permitted long to exist; and the immense amount of real estate now under incumbrance for bank securities is a matter of so much importance as to require of the proper authorities an attention to the subject.

Should the proper provisions of law for this purpose be made, it is believed that many, who are now interested in banks, would avail themselves of the privilege of closing the institutions under their control, without the opprobrium of public adverse proceedings before a judicial tribunal.

Should the Legislature, however, determine against the enactment of such a law, the commissioners will deem it their duty, in all cases proper for such action, to apply for injunctions.

On an examination into the affairs of the Bank of Washtenaw, the 14th day of December last, there was in bank, of the bills of the safety fund banks of this State, under injunctions, the amount of \$14,207. It also appeared that the sum of \$6,288.75, in like funds, was lately disposed of to Olney Hawkins, in the purchase of a mortgage certificate of sale, making the large amount of \$20,295.77 in uncurrent funds, now or lately in the possession of the bank, most of which have been received since the 16th of July last. It also appeared that large amounts of the same depreciated currency had, in the mean time, been used by the bank, in payment of its notes, and in the discharge of its other liabilities. It appearing, also, before the commissioner, that one of the officers of that bank, had been engaged in purchasing such notes at a depreciated value, and had made his deposits in the Bank of Washtenaw, and that he had used, in the payment of his own debts, some of the proper resources of the bank, a bill in chancery was filed, charging improper conduct on the part of the officers, and apprehended insolvency of the institution.

The bank had, moreover, failed, as was alleged, to pay its notes on demand, or within sixty days thereafter. Immediately before the service of the injunction, (to wit, on the 7th January instant,) the commissioner again visited the bank, for the purpose of making an examination into its condition; but such examination was refused.

There are, also, other violations of the law, and other instances of improper conduct on the part of the officers, which are fully set forth in the bill.

At the time of the last report, a negotiation was in progress by this bank, to effect a loan to enable it to redeem its circulation; and hopes were entertained that it might be able to accomplish so desirable an object. Twenty thousand dollars were obtained by the bank, about ten thousand of which were used to pay drafts and its paper in another bank. The remaining ten thousand seem to have afforded little or no relief in paying its circulation, or in restoring the credit of the institution. The circulation of the bank is now about forty-eight thousand dollars.

The history of banking, and an examination of the conflicting opinions which are maintained upon the subject of currency, would require a volume rather than the limits of an ordinary report. But the internal energies and resources of a new country, in their constant exercise and development, so soon shake off the consequences, and obliterate the sense of disaster and distress, that more reflection seems heretofore to have been bestowed upon temporary expedients, than upon that thorough investigation of the subject which would lead to a permanent remedy against the recurrence of similar evils.

Standing, as Michigan does, upon the ruins of her credit and currency, it behooves her to carefully examine the causes which have precipitated to almost entire destruction the edifice so lately erected and, by the light of other examples and her own experience, to rear upon a safer and surer foundation that which her present condition calls upon her to establish.

In aid of this object, a brief retrospect of the operation and consequences of her present system may not be deemed unprofitable.

On the 15th day of March, 1837, the act popularly entitled the "general banking law", was passed, upon the plausible principle of introducing a free competition into what was considered a profitable branch of business heretofore monopolized by a few favored corporations. In little more than one year, forty-nine banks were organized, with a nominal capital of \$3,915,000, and about forty went into actual operation under its provisions. These institutions professed to have an actual and available capital of \$1,745,000; 30 per centum of the nominal capital being presumed to have been paid in according to law, in gold and silver,

they were authorized to issue and put into circulation bank bills to the sum of \$4,362,500, being twice and a half the amount of capital paid in and possessed. The feature of the act which authorized banking under the suspension law, (that is to say, giving the sanction of law to the issue of promises to pay, not liable to redemption in gold and silver on demand,) gave an irresistible impulse to their career by opening the door for the debtor to liquidate his liabilities by transferring to the public at large his indebtedness to individuals. The result is well known; and it is believed that it is not too strong language to assert, that there are no species of fraud, and evasion of law, which the ingenuity of dishonest corporations has ever devised, which have not been practised under this act.

The loan of specie from established corporations became an ordinary traffic, and the same money set in motion a number of institutions. Specie certificates, verified by oath, were everywhere exhibited, although these very certificates had been cancelled, at the moment of their creation, by a draft for a similar amount; and yet such subterfuges were pertinaciously insisted upon as fair business transactions, sanctioned by custom and precedent. Stock notes were given for subscriptions to stock, and counted as specie; and thus not a cent of real capital actually existed, beyond the small sums paid in by the upright and unsuspecting farmer and mechanic, whose little savings and honest name were necessary to give confidence and credit. The notes of institutions thus constituted were spread abroad upon the community in every manner, and through every possible channel; property, produce, stock, farming utensils, every thing which the people of the country were tempted by advanced prices to dispose of, were purchased and paid for in paper, which was known by the utterers to be absolutely valueless. Large amounts of notes were hypothecated for small advances, or loans of specie, to save appearances. Quantities of paper were drawn out by exchange checks — that is to say, checked out of the banks by individuals who had not a cent in the bank—no security, beyond the verbal understanding that notes of other banks should be returned at some future time. Such are a few among the numberless frauds which were in hourly commission. Thus, a law which was established upon principles well digested and approved, and hedged around with so much care, and guarded with so many provisions, that few, it was supposed, would venture to bank under it, became, by the base dishonesty and gross cupidity of a few who had the control of the specie of the country, nothing less than a machine of fraud.

The singular spectacle was presented, of the officers of the State seeking for banks in situations the most inaccessible and remote from trade, and finding at every step an increase of labor by the discovery of new and unknown organizations. Before they could be arrested the mischief was done; large issues were in circulation, and no adequate remedy for the evil. Gold and silver flew about the country with the celerity of magic; its sound was heard in the depths of the forest, yet, like the wind, one knew not whence it came or whither it was going.

Such were a few of the difficulties against which the commissioner had to contend. The vigilance of a regiment of them would have been scarcely adequate, against the host of bank emissaries which scoured the coun-

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try to anticipate their coming and the indefatigable spies which hung upon their path; to which may be added perjuries, familiar as dicers' oaths, to baffle investigation, /

Painful and disgusting as the picture appears, it is neither colored or overcharged, and falls far short of the reality.

The result of the experiment of free banking in Michigan is, that, at a low estimate, near a million of dollars of the notes of insolvent banks are due and unavailable in the hands of individuals.

It has been said, with some appearance of plausibility, that these banks have at least had the good effect of liquidating a large amount of debt. This may be true; but whose debts have they liquidated? Those of the crafty and the speculative -- and by whom? Let every poor man, from his little clearing and log-hut in the woods, make the emphatic response, by holding up to view, as the reward of his labor, a handful of promises to pay, which, for his purposes, are as valueless as a handful of the dry leaves at his feet. Were this the extent of the evil, the indomitable energy and spirit of our population, who have so manfully endured it, would redeem the injury. But when it is considered how much injury is inflicted at home, by the sacrifice of many valuable farms, and the stain upon the credit of the State abroad, the remedy is neither so easy nor so obvious. When we reflect, too, that the laws are ineffective in punishing the successful swindler, and that the moral tone of society seems so far sunk as to surround and protect the dishonest and fraudulent with countenance and support, it imperatively demands that some legislative action should be had, to enable the prompt and rigorous enforcement of the laws, and the making severe examples of the guilty, no matter how protected and countenanced.

The difficulties and embarrassments which have grown out of this state of affairs is exciting an endeavor in many, who have become entangled in these institutions, to avoid the liabilities they have incurred, and induces the perpetration of acts and subterfuges which, under other circumstances, they would have loathed and rejected with contempt. So far has this been carried, that men upon whose character and credit institutions had obtained confidence, have used every device to shift their responsibility, indifferent into whose hands or control the institution should fall, provided they themselves were indemnified -- careless of the rights and interests of those who embarked in the enterprise, or received the bills, on their faith and credit. So that the singular exhibition has been made of banks passing from hand to hand like a species of merchandise, each successive purchaser less conscientious than the preceding, and resorting to the most desperate measures for reimbursement on his speculation.

The chief difficulty which presented itself for the exercise of a discretion on the part of the commissioners was the consideration how far it was compatible with the public interests that the errors and informalities of the original organization and management of a bank should be overlooked, provided it should justify a reasonable lenity by

promptly recting the existing abuses, and making satisfactory arrangements for the redemption of its circulation and the ultimate payment of all liabilities.

It is believed that the course adopted, after anxious and mature deliberation, of allowing banks an opportunity to make themselves sound, where a proper spirit was displayed to do so, has saved large sums to the billholders which would have otherwise been lost by the sudden winding up of such institutions. The difference between the circulation at the commencement of their labors and the present time, is a sufficient evidence of the prudence and advantage of this policy adopted by the commissioners. Such banks as have not shown an ability to redeem their bills, or a disposition to make the proper effort so to do, have been promptly enjoined. The commissioners deem it an act of strict justice to declare that those institutions which have sustained themselves with honor and credit amid so many temptations and examples of fraud have certainly given a guaranty of character and ability which should remove, from them at least, all general imputations, and entitles them to the applause and confidence of the peoples of Michigan.

Some amendment is undoubtedly necessary, and is earnestly recommended, to enable a more summary and speedy winding up of the affairs of those institutions now under injunction, and for making available, as early as practicable, their assets and securities. Under the present law, the order in which the means and securities are to be realized and exhausted will protract the payment of their liabilities to an indefinite period, and make them utterly useless to the great body of the billholders, whose daily necessities compel them to sell at an enormous loss. The banks themselves, through their agents, are thus enable to buy up their circulation at an immense depreciation, and their debtors to pay their liabilities in the notes of banks purchased at a great discount,

The daily advertisements for the purchase of safety-fund notes in exchange for land and goods, and the placards everywhere to be seen in the windows of merchants and brokers, are a sufficient argument for the necessity of the measure proposed.

Many worthy men, with the most upright intentions, have become involved in these institutions, and are willing to make every personal sacrifice to maintain their honor and character. With no knowledge whatever of banking business, they have become entangled, either through false notions on the subject, arising from ignorance, or by the dishonesty of their agents and associates. There are other institutions, organized by honest men, who, warned by the examples around them, have refused to proceed, and no business has been transacted. Their property, however, is encumbered by the furnishing of the securities required by law. These cases, as before suggested, should be met by some legislative provision, which would afford a means by which their securities might be released without the expenses of an injunction. A process which would compel the

surrender of the corporate privileges of such banks as have not advanced beyond organization should be devised, lest, at some future period, when our present calamities are forgotten, they may commence operations in less scrupulous hands.

There is a subject, not heretofore adverted to, which seems to merit a passing consideration. Several of the institutions chartered by the State are owned in other States; and in one instance notes are issued stamped payable abroad, and almost its entire capital and circulation is used without the limits of this State.

That this practice is not likely to decrease, may be shown by the fact that, since the establishment of the new banking system of the State of New York, the control of the charters of other banks without that State is sought for with a view to the benefit of an increase of circulation, by the use of foreign bills payable at their counters, the circulation of their own notes being limited, and under the restriction of the comptroller. Thus it will appear that corporate powers and privileges have been granted, not for the benefit of our citizens, but for those of other States. Our credit is, in effect, loaned for operations elsewhere, which, if unsuccessful, and the institutions fail, will fix a stain upon the character of our paper, greatly to the injury of the credit of the State. Whilst every encouragement which the most liberal policy can suggest should be held out to induce the introduction of foreign capital, it is equally important that the honor and credit of the State should not be left liable to jeopardy, with no commensurate profit or advantage.

Notwithstanding the disastrous effects of the general banking law, there are still to be found among intelligent men strenuous supporters of the policy of the system. This may arise from the natural indisposition to desert preconceived opinions, especially if rooted in the mind by a strenuous advocacy, or from the false application of a just principle. The principle upon which the system was founded was the plausible one of free banking, throwing open, as was contended, to the whole community, a competition in a profitable branch of business, heretofore confined to the larger capitalist. Let us examine the application of the principle, which, as stated, claims the ground of the establishment of equal rights in banking.

The advocates of the scheme will not deny that capital is necessary to legitimate banking. If this be admitted, the system merely combines the minor capitalists with corporate powers and exclusive privileges. And in what manner is this freedom accorded to minor capitalists? Their associated wealth is not placed upon a footing of equality with that of previously existing corporations. To their actual

capital paid in, in gold and silver, they must add real estate securities to treble the amount they are liable to become indebted; and to these, a personal liability beyond the amount of their stock. And this is denominated the establishment of equal rights and free competition in banking. Is it not rather analogous in principle to a trade loaded with excessive duties, and, in effect, a stimulant to fraud and violation of law? If this is not plain, is it not undeniably evident that the system inevitably tends to associate all the capital of the country with exclusive powers and privileges not enjoyed or exercised by those who have no possessions or capital beyond their industry and labor? Instead, therefore, of protecting equal rights, is it not giving combination and permanency to associated wealth?

In support of this view, is the reasoning of a distinguished writer on finance:

"A reform will not be accomplished in banking, as some suppose, by granting charters to all who apply for them. It would be as rational to abolish a political aristocracy by multiplying the number of nobles. The one experiment has been tried in Germany, the other in Rhode Island. Competition in that which is essentially good -- in farming, in manufacturing, and in regular commerce -- is productive of benefit; but competition in that which is essentially evil, may not be desirable. No one has yet proposed to put an end to gambling, by giving to every man the privileges of opening a gambling-house."

It is not a thought necessary here to enter into an inquiry of the defects of the banking system of the United States, which, in almost every State in the Union, has, at different times, thrown its affairs into disorder, paralyzed its industry, destroyed for a time its enterprise, and produced almost universal oppression, distress, and bankruptcy.

That the State of Michigan will avoid the consequences of similar errors, without the early adoption of some remedial measure, is scarcely to be expected.

The question is, how the emergency shall be met, and the door of escape opened by a timely and prudent forecast?

As long as the control of the cash and credit of the community is in the hands of individuals, rendered irresponsible to moral influence by their corporate capacity, with the temptation and power to acquire wealth at the expense of the community, by a contraction and expansion of paper issues: and the consequent variation in the prices of property and labor, so disastrous to the many, and so beneficial to the few, will inevitably occur.

The power to vary the standard value of coin would not be endured for a moment; and yet the granting to corporations the exclusive authority and unrestrained opportunity of creating paper money, in effect

sanctions and encourages the exercise of a similar power. In vain has the constitution reserved the coinage of money to the General Government, so long as numerous corporations can unsettle the measure of value by the substitution of paper for coin. The very object of the constitution is violated by this introduction of new standards and measures of value, liable to the fluctuations of accident and design.

It is but proper to remark, that a difference of opinion exists among the undersigned in the foregoing view taken of this system.

If it be true, as maintained by an able writer on currency, "that it is the public credit that supports the banks, and not the banks which support public credit; as the deposits are the property of the community generally, and as the profits derived from circulation come from the community generally, they ought to go to the community generally, and be used (if used at all) to lighten taxation;" "and if the policy of permitting private companies to enjoy all the advantages of supplying a country with paper money" is not only of doubtful expediency, but, from past and present experience, evidently dangerous, and liable to shameful and destructive abuses, the policy of supplying and regulating the circulating medium (a power which is incident to sovereignty, and should never have been surrendered) by the establishment of a State institution, under the control of the State itself, is perfectly evident; and to this conclusion all the States seem rapidly approaching.

With this conviction, the commissioners deem it not inconsistent with the scope of their duties earnestly to recommend the repeal of the general banking law, and to express a union of sentiment in the recommendation by the Executive of a State institution, under the control of the State itself, to be subject at all times to the most rigid scrutiny, and to the strictest guards against the tendency of banks "to lend too much, and put too many notes in circulation" -- the fruitful source of so many evils. The propriety is respectfully suggested, of taking into consideration the abolishing, either gradually or at once, of all issues under the denomination of at least five dollars. All experience proves that the wages of labor are the first to suffer, and the last to benefit, by changes in the value of money. The laboring classes, therefore, who, from various causes, are least able to protect themselves, should, as far as practicable, be protected in the character of the money they receive. The measure suggested would tend to make the wages of the daily laborer payable in real money, and protect the poor man from the losses which so unequally and heavily fall upon him by the changes and fluctuations in the value of a paper currency.

All which is respectfully submitted.

K. PRITCHETTE  
A. FELCH  
D. V. BELL  
Bank Commissioners

REPORT OF THE CONDITION OF THE BANKS IN THE FIRST  
JUDICIAL CIRCUIT: JULY, 1838

The undersigned has the honor to report the condition of the several institutions, created under the general banking law, within the limits of the first judicial circuit, in a tabular statement hereunto annexed.

This opportunity is taken further to report, that the Bank of Gibraltar and the Farmers' Bank of Oakland having neglected and refused to furnish the securities required by the sixth and thirty-sixth sections of the amendatory act of December 30, 1837, applications were made for injunctions, so far as to restrain these institutions from all further proceedings, except such as may be necessary in the redemption of their bills and the final settlement of their affairs. The discretion exercised by the chancellor relieves the undersigned from any further responsibility touching these institutions.

Injunctions have also been obtained against the Bank of Kensington and the Farmers and Mechanics' Bank of Pontiac. At a previous examination of the first-named institution by A. Felch, Esq., the commissioner was furnished with a false statement, sworn to as accurate by the former officers of the institution. The books appear to have been kept with a view to this deception, by false or imperfect entries of the transactions of the bank. The undersigned found it impracticable to obtain any accurate knowledge of the condition of its affairs; but sufficient was developed to exhibit most shameful mismanagement, if not fraud, and the entire insolvency of the bank. An injunction was accordingly obtained, and Kinsley S. Bingham, Esq., appointed receiver.

The Farmers and Mechanics Bank of Pontiac presented a more favorable exhibit in point of solvency; but the undersigned having satisfactorily informed himself that a large proportion of the specie exhibited to the commissioners, at a previous examination, as the bona-fide property of the bank, under the oath of the cashier, had been borrowed for the purpose of exhibition and deception; that the sum of ten thousand dollars, which had been issued for "exchange purposes," had not been entered on the books of the bank, reckoned among its circulation, or explained to the commissioners; and, likewise, that a considerable debt due to the State, through a loan made by the commissioner of internal improvement, James B. Hunt, Esq., was denied by the bank to be due from it, but insisted upon as the debt of the cashier; together with other circumstances calculated to impair all confidence in its statements, it was considered by the undersigned due to the public interest to close the door against further violations of law. An application for an injunction was made; which was granted, and William Draper, Esq., appointed receiver

An injunction was granted, some time since, against the Wayne County Bank. This bank had gone into operation in direct violation of law; the percentage on the capital stock, as required by the statute,

having never been paid in, according to law. The institution having made considerable issues, which it could not redeem, was entirely insolvent. The service of this injunction was withheld by the attorney general, in the exercise of his discretion; it has since been served, and A. H. Buel, Esq., appointed receiver.

The undersigned has to express his regret at being compelled to report that the additional securities required by the act of December 30, 1837, have not all been perfected. Every exertion has been made by the commissioner to effect a compliance with this important provision of the law. Considerable embarrassment and difficulty have undoubtedly been incident to the performance of this requirement; but when it is reflected that more than six months beyond the period allowed by law has elapsed, the neglect is inexcusable. Nevertheless, the spirit of the law having been complied with in the majority of instances -- the principal defect in the securities arising from a difference of opinion between the banks and the commissioner upon the mode and evidence of the appraisal required by law -- and every disposition being displayed of complying with the wishes of the commissioner, no detriment is likely to result to the public.

The only bank in operation whose securities have not yet been placed in the hands of the auditor general, are those of the Detroit City Bank. The commissioner has, however, been repeatedly assured by the cashier of that institution that they are in process of speedy completion.

It is due to the institutions in operation within the limits above mentioned to state that they have made very commendable exertions to withdraw all excess of issues from circulation, and to reduce their liabilities to the utmost of their ability. The payment of specie, without an exception, it is believed, was resumed at the date required by law, and is, in most instances, continued; notwithstanding the destructive drain upon their vaults, growing out of the embarrassments of the times, and the imperfect confidence in bank bills.

It is hoped, however, that a prudent course on the part of these institutions will restore the public faith, and justify the expectations of the friends of the system.

All which is respectfully submitted.

KINTZING PRITCHETTE,  
Bank Commissioner.

To His Excellency Stevens T. Mason,  
Governor of Michigan.

(B)

Report of the affairs and condition of the several banks within the limits of the second judicial circuit of Michigan: September, 1838.

Monroe, September 19, 1838.

The undersigned having again, agreeably to the requisitions of law, completed his examination of all the banks more immediately under his supervision, takes occasion to report to your excellency the result of the same.

In a tabular statement, hereto appended, will be found an exhibit of the condition of the several banks now in operation in the second judicial circuit of this State. The date of the last examination, when the statements were made by the officers of the several institutions, respectively, is therein given. From repeated investigations, and from the answers given by such officers, at different times, to interrogatories propounded to them by the commissioners, it is believed that reliance may be placed in the information contained in the exhibit.

The Merchants and Mechanics' Bank of the City of Monroe, <sup>13)</sup> the Millers' Bank of Washtenaw, <sup>1)</sup> the Huron River Bank, <sup>2)</sup> the Detroit and St. Joseph Railroad Bank, <sup>4)</sup> and the Merchants' Bank of Jackson County, <sup>7)</sup> have, respectively, complied with the provision of law requiring them to execute and file bonds and mortgages on unincumbered real estate, for the final security of all the creditors of the institution. The Bank of Manchester, <sup>42)</sup> and the Bank of Superior, <sup>3)</sup> have not yet completed their securities, although property has been appraised by the regular officers, to an amount sufficient for the purpose, and papers have been executed and recorded to an amount amply sufficient to cover all present responsibilities. The labor of examining and perfecting title-deeds has necessarily caused much delay. It is believed, however, that, in a few days, the institutions last named will have their securities filed in the auditor's office, in strict and literal compliance with the provisions of the statute.

Such, during the last few months, has been the condition of our exchanges, and such the want of confidence in the moneyed institutions of the west, that the notes of our banks have been constantly flowing in for redemption. Unable, under existing circumstances, to extend their business, or to afford facilities to business men, they have been compelled to use every exertion to preserve their credit, by meeting promptly every demand of the billholder and creditor. It affords pleasure to the undersigned to be able to state that the banks of the second circuit of this State (a list of which is given in the statement above referred to) meet promptly their paper, when presented at their counters, in specie, or some satisfactory equivalent. The Bank of Washtenaw <sup>5)</sup> is an exception to this remark. The undersigned has, however, reason to believe that a loan has been effected by that institution, which will enable them, within a few days, to redeem their paper agreeably to the provisions of their charter.

The Bank of Manchester<sup>42)</sup>, for some time past, has been engaged solely in redeeming its circulation. By the statement made by the former cashier, A. G. Irwin, previous to the last report of the condition of the bank, it appeared that the circulation was \$34,000. It was, however, afterward ascertained that there were in the hands of certain individuals, without security, bills of the bank to the amount of \$73,334; making a total amount of bills out, \$107,334.

Security was promptly obtained for the amount thus improperly advanced by the cashier, and that officer removed from the bank. Much credit is due to the Messrs. Fargo, of Manchester, for their exertions and promptness in seconding the endeavors of the public officers in securing the interest of the community, who held the bills of the bank. The circulation is now reduced to \$45,334. Under the management of its present officers, the institution is believed to be, in every respect, entitled to public confidence.

In accordance with the provisions of an amendment to the general banking law passed December 30, 1837, the undersigned has endorsed, officially, bills of the following banks, to wit:

12-	Merchants and Mechanics' Bank of the City of Monroe. . . . .	\$700
1-	Millers' Bank of Washtenaw . . . . .	4,000
37	Huron River Bank . . . . .	700
12	Detroit and St. Joseph Railroad Bank . . . . .	2,020
72	Merchants' Bank of Jackson County. . . . .	4,241

A small portion only of the bills thus endorsed have been put in circulation.

The issue of endorsed bills contemplated by the banks above mentioned was intended to supply, to a small extent, the circulating medium for transacting the flouring business of the State during the present autumn. The banks would receive therefor eastern drafts and acceptances, which the miller and the merchant were enabled, upon the shipment of their flour, to give; and thus be able to sustain their circulation by obviating to a certain extent, the difficulty arising from a constant demand for specie. During the severe pressure of the times for the last few months, the banks of the interior have suffered little from demand for gold and silver, when eastern funds were at their demand.

While large amounts have been due from our citizens to the merchants of the eastern cities, our resources and our industry have hitherto afforded limited means for the discharge of the responsibilities. The abundant crop which has the present season crowned the labors of the husbandman, has opened upon us a more cheering prospect in this regard. Extensive arrangements are made in almost every part of the State for the exportation of the surplus produce. It will be found sufficient to afford much imme-

ciate relief in pecuniary matters, and is an earnest of the time -- we hope not far distant -- when the debts due to the east will be discharged, and the exports of our State will exceed our imports; when increased activity will be given to the industry and productive labor of our citizens; and our banking institutions, founded on a permanent basis, and affording a safe circulating medium for business purposes, will enjoy the confidence of the community, and facilitate their business operations.

Annexed is a table, marked (C), <sup>table 2 and table 2A</sup> which exhibits the amount of circulation of the several banks in said circuit, as reported by the commissioners on the 6th day of April last, and the amount on the day of the last examination. It shows a diminution of the circulation in the twelve banks now in operation in that circuit, of \$191,437. The table also exhibits the amount of specie in the several banks at the times above mentioned. The amount of bills in circulation is still constantly decreasing.

In a report made to the House of Representatives of this State, on the 6th day of April last, it was stated, that, upon the application of the bank commissioners, injunctions had been issued against the Farmers' Bank of Sandstone, and the Jackson County Bank, both located within the second circuit. Since that time, Amasa Givson, Esq., of Jackson, has been duly appointed receiver, and is actively engaged in settling the concerns of those institutions, under the direction of the chancellor.

The undersigned has found it his painful duty, since the report last mentioned, after repeated visits and examinations, to apply to the chancellor for injunctions against the following banks in said circuit, viz:

- 14 The Lenawee County Bank,
- 8 The Bank of Brest,
- 38 The Bank of Clinton,
- 7 The Bank of Saline, and
- 10 The Farmers' Bank of Sharon

Lenawee County Bank 14)

Immediately after the organization of this bank, on or about the 30th day of December last, the sum of \$30,000, which was paid in on the capital stock, was refunded; and the promissory note of one of the stockholders, residing in the State of Ohio, with endorsers, was taken for the amount. Bills of the bank were at the same time put into circulation.

At an examination made on the 16th day of April last, the statement of the officers of the bank, and the entries upon the books, exhibited a circulation of \$13,210; but, upon strict inquiry and investigation, it was ascertained that the sum of \$6,200, or thereabouts, was in the hands of two individuals, for exchange purposes, which was not entered on the

books of the bank, among the issues, and for which no charge of indebtedness was made to any individual, nor security taken. The cashier expressly denied that any other amount had thus been advanced to individuals.

By an act of the Legislature, at the last session, this bank was permitted to reduce its capital stock from \$100,000 to \$50,000. After the passage of this act, and without a vote of the directors, (or other formal proceeding, so far as could be ascertained on examination,) his promissory notes, to the amount of \$15,000, were given up to Edward Bissell, a debtor of the bank, and one of the stockholders. This was intended, as it was explained by the cashier, to be a withdrawal of that amount from the thirty per cent. paid in on the original capital stock, making a deduction corresponding with the reduced capital. No entries corresponding with this change and withdrawal were, however, made on the books of the bank. The whole amount of specie in bank, on the day of the last examination, was \$92.75.

At another examination by the undersigned, on the day of the service of the injunction, to wit, on the 21st of June last, it appeared that there had been for some time in the hands of Edward Bissell, of Toledo, for exchange purposes, bills of the bank to the amount of \$18,000; and in the hands of Charles H. McClure, bills amounting to \$6,500. No minutes of these transactions appeared upon the books, nor among the papers of the bank, at any previous examination. It appeared that receipts had been taken for the amounts by the cashier, Frederick E. Whiting; but the whole transaction had been concealed from the knowledge of the commissioner. It is due to the president to say that he denied all knowledge of the transaction. Promissory notes have been obtained for the two last mentioned sums. Specie in bank was only \$34.20.

From the imperfect manner in which the books and papers of the bank had been kept, and the fact that little confidence could be placed in the entries there made, it was found difficult to ascertain the actual amount of the assets and liabilities of the institution. The books exhibited, at the time last mentioned, the circulation of the bank at \$22,642. The amount actually in circulation, however, must have been about \$42,363. Discounted paper in bank amounts to about the same sum as the circulation. There had also been violations of the provisions of law in other particulars not above mentioned.

Securities by bonds, and mortgages on real estate, were given to an amount to insure, it is confidently believed, the final discharge of all liabilities.

Bank of Brest 8)

This bank was examined by the undersigned on the 2d day of August last, when the following statement of the resources and liabilities was given, under oath, by one of its officers: (See attached tables). file 3 88

For the specie specified in said statement, there was

exhibited an individual's receipt for . . . . .	\$2,000.00
An accepted check on the Farmers and Mechanics' Bank . . . . .	1,146.00
Gold and silver . . . . .	<u>9,754.92</u>
	<u>\$12,900.92</u>

Of this amount, it was stated by the cashier that the sum of \$2,000 in silver had been in the bank about six weeks, and that the sum of \$7,497 in gold was received the day before said examination. It was paid in by Lewis Godard, and was passed to his credit on a small book containing an entry to said Godard's name of an "Exchange account".

On the 11th day of August last, another examination was made by the undersigned, at the banking-house of said institution. The specie of the bank was found reduced to the sum of \$138.89. The accepted check above mentioned had also been disposed of.

It appeared by a reference to the records of the proceedings of the board of directors, that at a meeting of the board, held on the 4th day of August, a resolution was adopted authorizing a loan to Lewis Godard of \$7,500; and on the same day, his note at ninety days, with endorsers, was accordingly discounted, and the amount given in bills of said bank. Immediately after the discount was made, the bills thus paid out were presented by another individual at the counter of the bank, and redeemed in specie. It was admitted by the president that, at the time of making the discount, he did understand that said bills were to be presented for the specie.

The amount of specie disposed of between the examination on the 2d and that on the 11th of August, including the accepted check, was as follows:

In the redemption of bills as aforesaid . . . . .	.\$ 7,500.00
Taken to Detroit by cashier . . . . .	1,000.00
To Lewis Godard on certificate of specie deposite . . . . .	<u>2,000.00</u>
Total	<u>\$10,500.00</u>

which, with some small amounts paid in redeeming bills, reduced the amount of specie to said sum of \$138.89.

By reference to the above statement, there will be seen an item of \$16,000 for a "loan on bond and mortgage." At the examination on the 2d day of August, it appeared that a loan of that amount had been made to the trustees of the town of Brest; to secure which, the bank received an assignment of two bonds, executed by Lewis Godard, for the sum of \$35,400, payable in one, two, and three years, and also of mortgages of one hundred and eighteen village lots in Brest, accompanying said bonds. At the meeting of

the directors above mentioned, the following resolution, in reference to one of said mortgages, was adopted, viz:

"Resolved, That a mortgage, bearing date 15th of June, 1838, assigned by the Brest company to the Bank of Brest on the 26th day of June, 1838, the amount of which if \$19,200, the same to be assigned to the Brest company by the Bank of Brest, as they have received nothing from the bank for the same."

The reassignment was gratuitously executed by the bank, in accordance with said resolution.

The circulation of the bank, as appears by the above statement, was, on the 2d day of August, \$39,425. It appeared, however, by examination of an entry on a small book, that there had been advanced to Lewis Godard, on "exchange account", at three several times, bills of said bank to the amount of . . . . .	\$27,313
There was credited to him the specie above mentioned . . . . .	<u>7,497</u>

Leaving balance in his hands \$19,816

There had also been issued by the bank, and sent to Lyman A. Spalding, of Lockport, in the State of New York, bills to the amount of \$25,000. An arrangement was entered into with Mr. Spalding to accept drafts of the bank to that amount; and the bills above mentioned were palced in his hands, it was stated, by the cashier, as collateral security to him. It was, moreover, declared that they were not to be put into circulation by him. It further appeared that the bank had drawn on said Spalding to an amount nearly equal to the sum in his hands. Some of the drafts upon him have been paid, and others protested. These bills of the bank in the hands of Mr. Spalding, and also those in the hands of Mr. Godard, were not in cluded in the statement of the circulation.

The whole amount of bills of the bank out on the 11th of August was, therefore as follows:

Circulation, as per statement . . . . .	\$39,425
In possession of L. A. Spalding . . . . .	25,000
Advances for exchange to L. Godard . . . . .	<u>19,816</u>
	<u>\$84,241</u>

At a meeting of the directors, held as aforesaid on the 4th day of August, the following resolution was adopted:

"Resolved, That the president and cashier be authorized to issue postnotes of the bank, payable twelve months after date, at the Phoenix Bank in the city of New York, bearing interest at seven per cent. per annum, for the purpose of raising funds to pay drafts which had been drawn by the bank.

In accordance with said resolution, post-notes were issued, on the same day. They were sent to Lockport, as the president declared, for the purpose of having them exchanged for the notes of the bank in his hands, as before stated. They were to receive the endorsement of certain individuals, as a guaranty for their final payment. The issuing of post-notes by bank's subject to the provisions of "An act to create a fund for the benefit of certain moneyed corporations, and for other purposes," is in direct violation of said act.

The facts above stated, exhibiting important changes in the condition of the bank within a very short period; the doubtful character of a portion of its assets, under the denomination of "notes of other banks;" the failure to comply with the provisions of the amendatory act, requiring certain securities to be filed; and the character of some of the transactions of its officers, were such as to render an application to the chancellor, for an injunction against the institution, imperative.

After such an application had been made, and before the service of process, the bank, by a vote of the board of directors, assigned all its property and effects to Alexander D. Fraser, Esq., of Detroit, for the benefit of the creditors of the institution. At a hearing subsequently had before the chancellor, on motion to appoint a receiver, the validity of said assignment underwent discussion; and it was the opinion of the chancellor that it was not competent for a board of directors, for the purpose of closing the affairs of a bank, thus to assign; and that such an assignment, with the object above mentioned, must be considered against the general policy of the laws of this State, and, consequently, invalid. The motion to appoint a receiver was granted. The appointment has not yet been made.

Although the bank has failed to comply fully with the provisions of the statute relative to securities, yet bonds and mortgages to a large amount, on unincumbered real estate, have been executed and filed; and the undersigned has no hesitation in saying that the billholders and other creditors of the bank will be paid the full amount of their claims.

Bank of Clinton 36

This bank was organized under a charter granted by the Legislature in March, 1836.

An examination of the affairs of this institution was made by the undersigned on the 30th day of July last, when the following statement of its affairs and condition was given by the cashier: (See attached tables). b-163A31

Another examination was made on the 17th day of August last. It then appeared that the day succeeding the prior examination, (to wit, on the 31st day of July,) the sum of \$7,500 in gold, a part of the specie of said bank exhibited to the commissioners, had been withdrawn, and delivered to Charles H. McClure, late cashier of said bank, and a receipt, of which the following is a copy, was left in the bank:

"Received of Bank of Clinton seven thousand five hundred dollars, in gold, which I agree to see returned in same coin, or in silver, without unnecessary delay.

"C. H. McCLURE.

"Clinton, July 31, 1838."

The specie was taken by said McClure to Detroit, on the day last mentioned, and delivered to Lewis Godard, who gave his receipt for the same. The whole amount of specie remaining in bank at the time of said last examination was about \$3,300.

A loan had been made by the bank, as appeared on such examination, of \$16,000, to Jira Payne and Charles H. McClure, directors of the bank, for which two certificates of stock in the "Miners' Bank" of Dubuque, for one hundred and sixty shares each, were hypothecated. No entry of said loan could be found on the books of the bank, and no evidence of debt was given, other than the pledge of the certificates aforesaid. At the same time, a loan had been made to said McClure of \$4,000, on his draft on "S.O. Martin, Esq., cashier, Dubuque," with endorsers. The "office notes in Transit," mentioned in the above statement, (\$12,000,) were said to be a part of the bills received on the two last mentioned loans, to be deposited in the Bank of Wisconsin. No entry was made on the books of the issue of the \$20,000, the amount of said loans, in the bills of the bank.

It appeared, moreover, that the bank had violated the law in the amount of its circulation, in the amount loaned or discounted to directors, and in neglect to pay its notes when presented at its counter. The circulation of the bank, as exhibited by its books, was also much less than that exhibited by the statement. A portion of the resources of the bank were found to be of so doubtful a character as to warrant the fear that they would be unavailable in the discharge of its liabilities.

An injunction was allowed on the 20th August. A motion for the appointment of a receiver is still pending before the chancellor.

Bank of Saline 7)

This bank was visited by the undersigned, and an examination of its condition made on the 14th day of July last; and on the 17th day of August last the place of its location was again visited for the purpose of examining the affairs of the institution, when the banking-house was found closed. The books, papers, property, and effects had that day been removed to Detroit. On the 31st day of August last, the undersigned examined, under oath, the president and one of the directors, relative to the affairs and condition of the same, and the transactions of its officers.

On the 16th day of August last, the board of directors adopted a resolution to assign all the property and effects of said bank to Alexander D. Fraser, Esq., of the city of Detroit, for the benefit of creditors.

The assignment was made on the same day, and the property and effects delivered to him on the day succeeding.

This course appears to have been taken by the directors at the suggestion of Abel Godard, one of their number, and was done in anticipation of proceedings being instituted against them by a public officer, and with the design of closing up the affairs of the association.

In the aforesaid examination of the president and one of the directors, it was stated that, on or about the 4th day of August last, post-notes to the amount of \$20,000, or thereabouts, were issued by said bank, payable at the Phoenix Bank in the city of New York, in one year from date, with interest, and were given to Lewis Godard for the purpose of transmitting them to Lyman A. Spalding. They were to be used for the negotiation of a loan. They were not endorsed by a bank commissioner.

It further appeared that, about four months previous to the examination, the sum of \$15,000 or \$20,000, in bills of said bank, were sent to said Spalding, in sealed packages, which, it was said, were to remain unopened, as collateral security for certain drafts to be drawn on said Spalding.

At the time of said assignment, there were in the hands of Lewis Godard, for exchange purposes, \$17,000, in bills of the bank, which were delivered to him agreeably to a vote of the directors in December last.

In the previous examination by the undersigned, noting in the papers, books, or securities of the bank, was exhibited, indicating the two last mentioned instances of the disposition of its bills; and, from strict examination of the immediate officers of the bank, under oath, nothing was disclosed of these transactions.

At the examination on the 14th day of July last, the specie of the bank amounted to \$3,090.06. These was delivered over to Mr. Fraser, under the assignment, only \$60 in specie. On the day of the assignment, by note of the directors, there was paid to one of their number, in redemption of the bills of the bank, \$600 in specie; and to another, \$800 on account of deposits.

The securities of the bank, though not in compliance with the provisions of law, are sufficient to meet all responsibilities.

Farmers' Bank of Sharon 10)

The officers of this institution appear to have conducted its affairs with an anxious endeavor to comply with the provisions of the statute, and to sustain the credit of the bank. The constant presentation of its bills for redemption had, however, on the 8th instant, nearly exhausted its specie and other immediate means of discharging its debts. Suits had been commenced against the bank, on its bills, and such, under the difficulties of present embarrassment, was the condition of their affairs, that it

was deemed both politic and necessary to wind up its concerns. Of this, the directors were themselves fully aware. The circulation is \$17,158.

The securities are not in accordance with the requisitions of law; yet an amount more than equal to all liabilities has been executed and recorded, and no loss can be sustained by the creditors.

The above statements exhibit some of the facts which induced proceedings, by injunctions, against the banks above named. The undersigned has been fully aware of the difficulties with which our institutions have had to contend; and it has been his endeavor not only to avoid throwing unnecessary embarrassments in the way, but, by every means in his power, to assist and induce them to arrange their affairs in such a manner as to deserve and secure the confidence of the community.

At the same time, in accordance with his duty to the public, he has not hesitated to proceed against such institutions as, from improper or fraudulent conduct in the officers, or from insolvency, or other causes, were undeserving of credit. The public must have the means of discriminating, and the line must be distinctly drawn between the good and the bad, the solvent and the insolvent, before the currency of Michigan, furnished by her own institutions, can afford a safe circulating medium.

The banks now in operation within the limits aforesaid, the undersigned is happy to state, have generally exhibited much anxiety in endeavoring to comply with the provisions of law, to reduce their liabilities to the smallest possible amount, and by every means in their power, to preserve, unimpaired, their credit. It affords pleasure to believe that these institutions are not only in a solvent condition, but that they will soon be able to extend business facilities to the community, and to give a currency of undoubted character.

All which is respectfully submitted.

Alpheus Felch  
Bank Commissioner

To His Excellency Stevens T. Mason,  
Governor of Michigan.

(C)

Report of the affairs and condition of the several banks within the limits of the third judicial circuit of Michigan: September, 1838.

The undersigned, immediately after being notified of his appointment as bank commissioner, in the place of Thomas Firtzgerald, Esq., resigned, took the oath of office, and entered on the discharge of his duties.

Believing the public mind to be exceedingly anxious for correct information of the standing and condition of the banks generally, the undersigned has completed his tour of examination, with all possible expedition, consistent with a due regard to the proper and efficient discharge of his duties, and the consequent labor attendant thereon, and the time naturally required in travelling over an extensive and inconveniently situated district.

The undersigned has now the honor herewith to transmit to your excellency a statement showing the present condition of the several banks under the supervision of the bank commissioners, within the third judicial district.

Upon officially visiting the Berrien County Bank, the undersigned found its operations suspended by his predecessor, Colonel Fitzgerald.

On investigation of its affairs with that gentleman, much was exhibited betraying either culpable mismanagement, or gross ignorance of banking.

Colonel Fitzgerald, however, with the usual vigilance and promptitude characteristic of all his official acts, had, previous to my arrival, caused the arrest of some of the officers of the institution, under the provisions of the act of December 30th, 1837; and required of the proprietors to furnish on the entire reorganization of the bank, and its being placed on a sound and permanent basis, or suffer a forfeiture of the lands pledged; which, together with their assets in bank, individual responsibility, and the real estate security given in conformity to law, must, in the worst event, be more than sufficient to satisfy and pay all their liabilities.

In this condition, after confirming a requisition made upon the directors to place their money and effects beyond their control, and in the hands of persons in whom both Colonel Fitzgerald and myself had unlimited confidence, I left them; and within the last few days have been informed, by letter from Colonel Fitzgerald, that efforts are being made by them to comply fully with the requirement aforesaid, and that they had since withdrawn several thousand dollars of their own bills from circulation.

The result of mature deliberations of both the undersigned and his predecessor, and of legal advice obtained, induced them to adopt and confirm the course taken with this bank, as the one most advisable under all circumstances connected, to protect and secure the public against loss.

The bank will either soon comply with the requisitions made, or an injunction will be applied for against them.

In the course of his investigations, the commissioner, after reviewing the affairs of the St. Joseph County Bank, deemed it proper to apply for an injunction against them; which has been granted. Although the business operations of this institution appear to have been conducted from the commencement, with propriety and fairness; and although they have decreased the amount of their circulation since their last report, and have made zealous and laudable, but ineffectual, efforts to sustain themselves; yet the impoverished condition of the bank demanded such a determination and result; both of which were not only anticipated, but desired, by the directors of it, and had the law enabled them, they would have voluntarily surrendered their effects and wound up.

As it is, the commissioner considers the amount of their discounted paper alone (which is generally, if not entirely, good) sufficient, with proper management in its collection, to pay all its liabilities to the public, and without recourse to its landed securities.

Against the Bank of Allegan, an application had been made for an injunction, by Colonel Fitzgerald, while in office, which the undersigned supposed had been granted and served; but, on visiting that place, on his way to Singapore, found that no service of a writ had been made. The attorney general, as the commissioner is informed, from assurances having been given him that the bank would in a short time be restored to a sound and legal condition, in his discretion withheld the application.

This action on the part of his predecessor, the commissioner deemed a supersedeas to any agency of his in the matter; and consequently made only sufficient examination into the affairs of the institution to satisfy himself that, in case of failure, its resources would probably pay all its liabilities.

The undersigned was officially called to visit and examine a new bank, styled the "Peoples Bank of Grand River," which he did on the 7th of August last; and, finding the institution in operation without having complied with the important requirements of the law, and in direct violation of its provisions, immediately suspended its operations, by requiring to be put in possession of its moneys and effects until the whole law should be complied with, or in default thereof, legal proceedings should be had against it.

The directors of the institution are said to be men of unblemished reputation, and it is probable that no fraud was intended, but that their course of operation was induced by an honest misconstruction of some of the important provisions of law.

The Coldwater Bank, it will be observed, exhibits a very limited amount of cash resources wherewith to redeem and pay a large amount of circulation and deposits made with them; and the commissioner would have felt it incumbent on him, in the ordinary discharge of his duties,

to have applied for an injunction against them, but, from statements of the officers of the bank, made under oath, and a thorough examination into all its affairs, he was induced to delay, at least for the present, such action; believing that under any contingency, the public interest would not suffer, but would, in all probability, be much better served by such determination than by any summary foreclosure. In explanation, it will be stated, that, to meet their present exigencies, they are negotiating a loan with one of the New York State banks, on individual responsibility, which, if obtained, is designated and will be employed in the redemption of their circulation, and payment of their deposits. A more permanent source of relief (though somewhat more remote) will be afforded them, as they expect, by making collections from the merchants and farmers, their debtors, in grain and flour, which the past abundant harvest will readily enable them to do, and at such prices as will afford a profitable competition in an eastern market, and thus enable them to collect their debts, and, by the sale of these pledges, establish a credit at the east, subject to their drafts for such funds as are most valuable and needful to them. About a week since, the undersigned was advised by letter, dated August 24th, from the cashier of that bank, that the negotiation above referred to had been made, and "would be carried into effect in about two weeks." The bank is virtually inoperative at this time, excepting so far as their present means will enable them to redeem their circulation, pay depositors, or make collections; the commissioner having required of them to subscribe an affidavit, in which they promised a suspension of all operations whereby their liabilities might be in any manner increased, until upon further investigation, he was satisfied of their ability to resume fully.

The undersigned takes this opportunity to say that he has great confidence in the integrity and honor of the president and other officers of the bank; that their assets are substantial, the united responsibilities of the directors very great, and their real estate securities ample and perfect; and from this combination of facts, constituting a guaranty to public security, he was induced to afford them an opportunity to sustain themselves, and thereby readily pay their debts, rather than close their operations by injunction, and wind them up, under a process, though sure in its determination, yet naturally productive of delays and embarrassments to the public, and frequently of much loss, in consequence thereof, to the billholders and depositors.

Into the affairs of the Branch Bank of Michigan at Kalamazoo, the commissioner was unable to make an examination, in consequence of the absence of the cashier at Detroit, and the indisposition of the person left in charge. (13) - Table 4

An examination into the condition of this institution will be made as soon as practicable, and the result reported to your excellency immediately thereafter.

The payment of their tribute to the "safety fund" has been by many of the banks neglected; but the importance of the requirement has been impressed, and its compliance insisted on; and assurances are given that all arrearages shall be paid, and the law strictly conformed to hereafter.

Most of the banks under the general banking law have furnished the full amount of real estate securities required by it; some have even exceeded their quota, while others have not fully complied with the law. The banks in default have invariably been required by the undersigned to perfect their securities as soon as the actual amount of deficiency can be ascertained from the auditor general; and to this end, as well as to have correct and authentic information of the amounts and condition of the securities pledged by all the banks within the district, a letter has been addressed to that officer, requesting to be furnished with a statement of that description.

A full and immediate compliance with the law, in this respect, has been promised by the banks whose securities are now imperfect; and although, in the present state, no injurious result to the public is apprehended, still it is important that the law should be fully observed, and the commissioner is determined to enforce it to its extent.

All the banks within this district, except those in suspense and under injunction, were, at the time of their examination by the commissioner, redeeming their bills in circulation, in specie, or other funds satisfactory to the billholder, as he is informed and believes. And it may here be noticed, that since their resumption of specie payments, an average of one-third the aggregate amount of their whole circulation has been redeemed and withdrawn.

In conclusion, the undersigned begs leave to state that he considers the present responsibilities and resources of the several banking institutions now in operation within this district an abundant and ample guaranty for the payment of all their present liabilities to the public; and, although the cash resources of some of them are much diminished, owing to the constant draught upon them, produced by a combination of embarrassments, they have, notwithstanding, hitherto sustained themselves; and it remains to be ascertained how long they may continue erect, and how far their common participation in the relief promised by the sale and exportation of our immense surplus crop, their ability in consequence to make collections, and a reliance upon their own proper resources, will be productive of substantial benefit, of freedom from peculiar embarrassments, and a restoration of public confidence in their integrity and ability.

The commissioner most respectfully submits the foregoing, and has the honor to be your excellency's obedient servant.

DIGBY B. BELL  
Bank Commissioner

To His Excellency Stevens T. Mason  
Governor of Michigan.

Z-5  
February 2, 1839

Report of the examination and investigation of the affairs and condition  
of the Bank of Ypsilanti 51

The bank was organized under a charter granted by the Legislature, and commenced business on the 13th day of October, A. D. 1836. From the time of its organization until the 27th day of September last, the controlling interest in this institution was held by Timothy Tredwell, who was the president of the bank, and Horatio Stevens and others, of Buffalo, in the State of New York. At the examinations which had previously taken place it was uniformly stated to the examining officer that the capital stock had been paid in according to law. There was, however, in the bank a considerable amount of paper signed by the principal stockholders with endorsers, duly entered on the books as discounted bills.

On or about the 27th day of September last, a sale was made of the majority of the stock, by Mr. Tredwell and others, to Theodore Romeyn, and the transfers duly entered on the books of the bank. On that day a change was made in the officers of the institution; and Theodore Romeyn, George H. Tracy, James Woodruff, and Henry Howard, were elected directors, to fill vacancies occasioned by the assignment of their stock by the former directors; and at the same meeting, A. H. Ballard was elected president pro tem., and George H. Tracy was appointed cashier. On the 20th of November, Marvin Minor and George Davis were chosen directors, and T. Romeyn was elected president.

By the contract of sale above mentioned, stock upon which there had been paid between \$90,000 and \$100,000, was transferred to T. Romeyn and his associates. A bonus was paid upon the stock; and for the amount paid in upon the same, Mr. Romeyn was to take up and discharge the same amount of discounted paper in the bank, upon which the individuals selling the stock were responsible. In accordance with this agreement, a change was immediately made in discounted paper to said amount; the promissory notes of these former stockholders being withdrawn, and the amount supplied with other endorsed paper. The cashier of the bank at that time, George H. Tracy, stated under oath that the latter paper was perfectly good. The regular entries of the transaction were made on the books of the bank.

It is, perhaps, proper here to remark, that some time in the fall Mr. Romeyn called on me, and said that he was about to negotiate for the majority of the stock of the bank; and that, if he made the purchase,

it would be with a view to connect the institution with the Bank of Central New York, then about to be established at Utica, so far as to put these bills in circulation there, and to have them redeemed at the latter institution. To me, upon reflection, the plan seemed objectionable; and these objections were made known to Mr. Tredwell, and also, afterwards, to Mr. Romeyn. There was nothing, however, in the plan then proposed which would have involved a violation of law; the objections were rather on the score of public policy. I, however, soon after received a letter from Mr. Romeyn, announcing that he had made the contemplated purchase, and should thereafter be held responsible for the management of the institution. Upon further conversation, and more fully expressing my views upon the manner in which alone the business of the bank could be done, in order to give the contemplated circulation in a foreign State, Mr. Romeyn declared that he thought it no object to consummate the arrangement, and had already concluded to relinquish the idea, and sell or retransfer the stock. This was immediately previous to the sale from him, hereinafter mentioned.

During the time which Mr. Romeyn had control of the institution, he received bills of the bank to the amount of \$25,000, for which his receipt was given. This receipt was dated November 21, 1838. The bills thus received, as appeared by the oath of the cashier, were taken by Mr. Romeyn to the Bank of Central New York, to be exchanged for other funds, or to be deposited in that institution to the credit of the Bank of Ypsilanti; or, if a satisfactory arrangement should not be made, they were to be returned by him to the bank. It appeared, moreover, that, some time during the months of October and November last, bills of the bank to the amount of \$20,000, had been put into the hands of Messrs. Strahan & Scott, in Chicago, to exchange in that region; and \$2,000 in other funds, with which to redeem their bills. An arrangement, previously made by Mr. Tredwell with another individual in that vicinity, had given an extensive circulation in Illinois, and afforded eastern funds in exchange.

Previous to this transfer, the bank had drawn, and had then outstanding, and not arrived at maturity, time-drafts, issued in the redemption of its bills and other purposes, to the amount of about \$40,000. Mr. Tredwell assumed the payments of these drafts, and received for the same an assignment of certain amounts due from the City Bank of Buffalo, Canal Bank of Albany, City Bank of New York, and from P. P. Kissam, D. Ballentine, George Calver, and Tracy & Miller. The amount of these assignments exceeded the amount of drafts assumed by Mr. Tredwell, and left a balance to be paid to the bank by him of \$5,394.53.

It appeared that a negotiation for the purchase of the stock owned by said Romeyn was entered into by Philo S. Rawson, on the 23rd day of November last, and finally consummated, and the stock transferred on the 28th day of December last. Said Rawson represented himself as the agent for Arby K. Maynard, John Colter, Abraham Van Camp, Charles Barnard, A. F. Carr, S. S. Phelps, and R. F. Field, of the State of New York,

and H. Gill, of Ohio; and the stock was apportioned among, and transferred to, those individuals, who still hold the same. In the affidavit of Theodore Romeyn, (annexed, marked No. 1,) and also in the annexed affidavit of Philo S. Rawson, (marked No. 2,) will be found a more explicit statement of this negotiation. It appeared that said Rawson had correspondence with, and authority to act for, the three first individuals above named; but had no communication with, and no authority to act for, the others. Their names were furnished to him by said Maynard and Colter. From inquiry, it is ascertained that the above named Maynard, who is the principal stockholder, and president of the bank, is a man of little or no reputation, and entirely without means to invest in bank stocks. Little satisfactory information as to the other individual stockholders above mentioned could be obtained; and the want of knowledge on this subject evinced by Mr. Rawson, the agent, was such as to destroy confidence both in the men, and in their means to sustain a banking institution. It was also stated by said Rawson that funds for the redemption of the paper of the bank had been promised by them, but had not been furnished.

In the arrangement made for the purchase of said stock, said Romeyn was to receive a bonus of \$10,000. This sum was paid to Mr. Romeyn by Lewis Godard, who received therefor from said Rawson a promissory note for that amount, furnished by said Maynard and Colter. In this as in the former sale of the stock, the purchasers assumed the payment of certain notes which had been furnished by the former stockholders to the bank, by substituting other paper in its stead.

Immediately after the transfer of said stock to said Rawson and others to wit, on the 28th of December last, a change was made in the officers of the bank. John Griswold, P. S. Rawson, Allen Stewart, and Gilbert Shattuck, were elected directors. The affidavits of these two last named directors will be found annexed, (marked No. 3 and No. 4.) John Griswold was elected president pro tem., and Mark Hopkins was chosen cashier pro tem. On the 30th of December Mark Hopkins resigned, and Robert Lockwood was elected cashier pro tem. On the 19th of January Philo S. Rawson was elected cashier pro tem., in place of Robert Lockwood; resigned. John Griswold resigned as president.

At the meeting of the directors on the 28th of December, paper to the amount of \$100,000 was presented by P. S. Rawson, and entered as discounted paper; and the promissory notes which were put in by said Romeyn, when he purchased in as above mentioned, were withdrawn and given up to him. A list of the paper so received will be found annexed to the disposition of P. S. Rawson, marked (A). This paper, it appears by said Rawson's statement, was received by him in a letter from said Maynard and Colter; and no member of the board of directors knew whether it was good or not, nor indeed, whether the pretended signers and endorsers had even an existence. Even Rawson, who represented the paper, and represented it to be good, declared that he knew none of the individuals. Further inquiry has been made, and nothing can yet be ascertained to induce the belief that the paper is other than worthless.

In the arrangement between said Rawson and said Romeyn, the latter agreed to assume and pay certain time-drafts upon several banks in the State of New York, then outstanding, and upon a part of which he was responsible as endorser to the amount of \$40,721.18; and there was assigned to him, and put into his hands on that account, certain discounted paper from the bank, to the amount of . . . . . \$19,886.94  
 An order on the Buffalo City Bank for Ypsilanti notes . . . . . 10,000.00  
 Uncurrent money . . . . . 4,504.00  
 Notes of Bank of Ypsilanti . . . . . 10,000.00

Total \$44,390.94

A copy of the contract annexed to the affidavit of Mr. Romeyn will exhibit more fully the terms of this arrangement. It is stated by said Romeyn that, of these drafts, \$27,000 have been paid, and provision made for about \$10,000 more.

The following statement of the affairs and condition of the bank, furnished on the day of the last examination of its affairs, (January 23d,) by Robert Lockwood, late cashier, corresponds with the entries upon the books of the bank. It is but justice to remark, that the commissioner has the utmost confidence in the correctness of Mr. Lockwood's entries while the books were under his charge. His affidavit will be found annexed, marked No. 5. (See tables attached). *table 6*

By reference to the above statement there will be found among the liabilities an item in the name of Philo S. Rawson, agent, of \$17,286.84. This entry exhibits a balance of credit to said Rawson, of two drafts, furnished by him to the bank -- one for \$10,000, on the Bank of Owego; and one of the same amount on the Steuben County Bank. Rawson presented to the directors letters from Maynard and Colter, directing him to draw on said banks for said amounts, to be used in the business of the Bank of Ypsilanti; and the drafts made accordingly were passed to his credit as agent. It will be seen, by reference to the above exhibit of the resources of the bank, that those institutions are debited to those amounts, less some small drafts that had been made upon them by the Bank of Ypsilanti. Rawson's drafts have been forwarded to the drawers, but no return has yet been received. Nothing from these banks authorizing him to draw was exhibited by said Rawson.

There were found in the bank two notes, signed by James M. Graham, and endorsed by A. A. Reid and F. Blake, dated December 1st, 1838, for \$10,000 each; and a receipt, signed by Theodore Romeyn, acknowledging the receipt of another note of the same date and amount, and with the same signatures, for the purpose of obtaining a re-discount of the same.

In relation to the three notes above mentioned, it appeared that Lewis Godard presented said notes, together with a draft for \$1,300, made by G. B. Harleston on A. G. Ogden, and accepted by the latter, at the counter of the bank; and by direction of John Griswold and P. S. Rawson, they were discounted, and regularly entered on the books as discounted paper.

Bills of the bank, signed by the new officers, given for the amount, were handed to Mr. Rawson, and by him furnished to Lewis Godard and Mark Hopkins, in the city of Detroit.

The affidavit of said Rawson, annexed, (marked No. 2,) exhibits this pretended discount to said Godard as in fact little more than an advance for exchange. The paper was not even endorsed by him, and it is expressly declared that he had no right to use the bills thus furnished for any other purpose than to obtain other funds. It is, however, certain that the money was immediately put into circulation at Monroe, on the Maumee river, and along the lake shore of Ohio, while no funds were furnished to the bank for the same.

The abovementioned three notes against Graham, amounting to \$30,000, were obtained by Mason Converse of George B. Harleston, as appears by said Harleston's affidavit annexed, (marked No. 6.) At the time they were furnished him, they were in blank, and without endorsers. The signer (Graham) had been dead almost a year previous to the date of the notes; and, upon inquiry, no individuals can yet be found in the vicinity bearing the names of the pretended endorsers. In what manner the notes were obtained of said Converse by Lewis Godard, does not appear. It is, however, ascertained that a large amount of the bills received by Godard and Hopkins went into the hands of said Converse, and were used by him.

Bills of the bank, to the amount of \$50,000, were signed by the new officers of the bank — John Griswold, president, and R. Lockwood, cashier; but a portion of this amount was not issued from the bank.

There was found in the bank, at the examination on the 23rd ultimo, a receipt given by John Griswold, dated January 4, 1839, for \$10,000; on this receipt was an endorsement of \$3,100.

Balance . . . . .	\$ 6,900
Receipt of John Griswold. . . . .	500
" of P. S. Rawson . . . . .	5,000
" of P. S. Rawson . . . . .	2,000
" of P. S. Rawson . . . . .	<u>20,000</u>
Total of exchange receipts . . . . .	<u>\$34,400</u>

The receipt last above mentioned, on which a balance of \$20,000 appears to be due, is dated December 29, 1838, and was given for \$45,000, to be returned or accounted for on demand. This receipt was given when the new stockholders went into the charge of the bank. Said Rawson received in bills of the bank \$20,000, and took up the receipt of Theodore Romeyn, given by him, as before stated, for \$25,000; giving his said receipt for the total amount of \$45,000. It is, moreover, alleged that said Romeyn soon after returned the \$25,000 taken by him, to Mr. Rawson, and an endorsement of the same was made on the receipt of the letter.

A resolution had been previously passed by the Board, authorizing said Rawson to destroy all the bills of the bank which should come in with the signatures of the former officers; and Rawson swears that he did accordingly destroy the bills last above mentioned. No person appears to have been present when they were destroyed, and the fact was not mentioned to the acting cashier by said Rawson until some days afterward.

By the above statement, it appears that the circulation of the bank, as exhibited by the books, was, on the day of its suspension, \$82,112; but there was out for exchange and other purposes, as above recited, a large amount of its bills not included in that sum. From the most accurate information which could be obtained, the total amount of bills of the bank executed and not in bank was little less than \$140,000. Some of the receipts above mentioned are included in the above statement under the designation of "items".

At a meeting of the board of directors, on the 30th day of December, a resolution was adopted appointing "Mr. Griswold and Mr. Rawson a committee to select some proper person to go to Chicago, and there make some arrangement (which may be in his discretion modified by circumstances) for the redemption of the notes of the bank, and that the cashier be authorized to give such person as may be selected letters of credit to treat with the present agents of the bank, (Strahan & Scott,) or with any other person, in the premises." In pursuance of this resolution, John Griswold was selected as such agent, and the cashier gave drafts on Strahan & Scott for the \$20,000 in their hands belonging to the bank. By reference to the annexed affidavit of John Frink, (marked No. 7,) it appears that said Griswold had arrived in Chicago with a large amount of the bills of the bank, and opened an office there, and that he made an exchange of the notes of the Bank of Ypsilanti, at par, for the depreciated paper of the safety-fund banks of this State. But there are no means of ascertaining as yet, whether the amount in the hands of Strahan & Scott has been received by him, or other funds to the same amount. p 31

It is deemed unnecessary to go more fully here into a statement of the affairs and transactions of this bank, or the conduct of its officers. For many other facts relative to the same, I beg leave to solicit a perusal of the annexed affidavits and accompanying papers. In some respects the details of the transaction are not so fully disclosed as could be wished; and some things stated in the affidavits will be found, as yet, without full explanation. A full disclosure of all the facts can evidently be obtained only by continued investigation, as many of the transactions appear to have been done by men entirely unknown in this part of the country, and some of their proceedings took place beyond the limits of our own State.

An injunction, obtained by an individual, was served on the bank, on the day when the examination was made at which the above facts were disclosed. As there is, however, some reason to believe that the injunction

was obtained at the instigation of the friends of the present stockholders in the bank, it was deemed proper, by the attorney general, who also attended the examination, to file a new bill in chancery, and to obtain additional process against the institution, with a view to close up its concerns. P 31

P 31 The affidavit of John Griswold, annexed, (marked No. 7,) has been obtained since the above was written; and also the affidavit of T. Romeyn, (marked No. 8.) There will be found in them statements, in relation to the facts above recited, which well deserve the attention of the Legislature. A comparison of statements in the several affidavits exhibits some discrepancies, which render it difficult, in some particulars, to ascertain the precise facts in the case.

All of which is respectfully submitted.

A. FELCH, Bank Commissioner.

—  
No. 1.

Sir: In accordance with your request, I shall now, as succinctly as possible, explain to you the circumstances of my connexion with the Bank of Ypsilanti. It will be more convenient to do this in the form of an ordinary communication, than in that of a formal affidavit.

The first point on which you desire a full explanation is the subject of the purchase of the stock by me, and the time and mode of payment.

The majority of the stock of the bank was owned by T. Tredwell, Esq., its former president, and by Mr. Horatio Stevens, of Buffalo. The contract for it was made in September last, and about the 30th of that month it was transferred on the books.

You desire me to state, with particularity, "the mode of transfer and payment." The bonus paid for the capital of the bank was a matter of private contract, in which the public certainly have no interest; and, although I have no personal objection to disclose it, still, as it affects the affairs of others, I do not wish to say anything about it.

Stock on which upwards of \$90,000 had been paid was transferred to me. The old officers and a majority of the old directors vacated their situations; new officers and directors were chosen; certain paper was offered by me for discount, and approved by the new board; other paper was taken up and given to Messrs. Tredwell and Stevens, in payment for their stock; certain moneys deposited in other banks, and in the hands of agents, were transferred to the credit of Mr. Tredwell, who, in consideration of them, assumed the payment of some bills that had been drawn by the bank, and were not yet matured.

I understand you to wish particular information as to the nature of the paper taken out of the bank by Mr. Tredwell, and of that put in by me. The former I am unable to answer. It was undoubtedly good paper, and such as could have been collected. The paper put in by me was, (with perhaps a single exception, and that of small amount), such as, from the names on it, would have been approved by any bank in the State. A considerable part of it was actual business paper, owned by me at the time, and some of which was afterwards paid; and the remaining portion of it was obtained from my personal friends, by giving them counter-security. My own name was not in the bank for a single dollar, either as maker or endorser of paper; and, if I recollect rightly, none of the new directors' names.

The situation of the bank at the time of its transfer to me was in round numbers, as follows: circulation about \$80,000; due depositors about \$20,000; specie about \$14,000; notes of other banks, and balances due from them, about \$8,000. The other resources of the bank consisted in discounted paper. I wish to be understood as giving these amounts merely from recollection, not having the statement at hand. They are, however, substantially correct.

The above amount of circulation may appear large, but will be understood from the following fact:

An agency of the bank had been long established at Chicago. The bills of the bank transmitted to the agent there were always counted as office notes on hand, until advice was received of their circulation, when they were charged as such; and the moneys received for them (as they were exchanged only for money) were passed to the credit of the bank. At the time of the transfer to me, Mr. Bellentine had in his hands about \$30,000, an order for which was given to Mr. Tredwell, and of course the whole amount charged as bills in circulation.

The amount of drafts assumed by Mr. Tredwell was about \$40,000. The amount of money and other assets put in his hands exceeded that sum by about \$6,000, out of which he was to be allowed for expenses and exchange in converting these items into funds current at the place where the drafts so assumed had been made payable, and to account to the bank for the remainder. I have now given you, as nearly as I can, the state of the bank at the time of my purchase of its stock, and of the manner in which the transfer was completed. For what has taken place since then, the old officers and stockholders ought not to be held responsible.

I understand you to request from me an account of the manner in which the affairs of the bank were conducted while I remained connected with it.

At the time of the transfer, Mr. Follett, the former cashier, declining to continue, Mr. G. H. Tracy consented to act as cashier, but with the understanding that it should be temporarily; and shortly afterwards I was chosen president.

By the arrangement made with Mr. Tredwell, the bank was deprived of all her cash resources, except the specie and foreign notes actually in the vaults, and small sums due from other banks. Unfavorable rumors growing out of the change soon began to circulate. A pretty severe run upon the bank here, and upon its agents in Chicago, commenced, and was continued for some time. I provided in Buffalo \$10,000, and in Utica \$15,000, and made an arrangement in Philadelphia for \$20,000 more, if wanted; and the bank sustained herself completely.

These funds were advanced out of my own resources, and by my own exertions. As they were put into the bank, her drafts for some of the amounts were given; and this will account for the amount of these in existence until very lately.

An important arrangement was made by us for the redemption of our bills at Chicago. A contract was made with Strahan & Scott, of that place, by which that house agreed to take \$10,000 of the notes of the bank, and disburse them. At the end of ninety days they were to return to the Bank of Ypsilanti that amount in currency equal to that of the State Bank of Illinois, and in the mean time were to redeem all notes of the Ypsilanti Bank that might be offered to them, at two and a half per cent. discount, in Illinois money, and to disburse them again in the most advantageous way for the bank. On the 24th of October, \$10,000 of the notes were given to them under this arrangement, and in November an additional sum of like amount. They were also furnished with \$2,000 of eastern funds, to aid them in their redemption.

It is proper to say, that, from advice received from them from time to time, it appears that the amount in their hands has not been decreased. Of course, this amount was not included in the statement of circulation.

I understand that you considered this arrangement objectionable. I am willing to admit that it was out of the ordinary train of business; but you will allow me respectfully to remind you of the state of things at Chicago. More than half the circulation of the bank was in that vicinity, and, unless some arrangement had been made for its redemption there, it would have at once returned to the bank. It is evident that some arrangement was rendered absolutely necessary by this fact: Mr. Ballentine, who before had redeemed the notes of the bank in Chicago, was about to discontinue; and it is believed that the contract with Strahan & Scott was as favorable as any that could be made; and, indeed, not only from its terms, but from the high character of that house, and the credit reflected from their undertaking the agency, it promised unquestionably great benefits to the bank.

It will not be expected that we shall give in detail every act done by us until our transfer of the stock of the bank was completed. The books of the bank will show that the policy pursued was one of contracting the circulation and general liabilities of the bank. The deposits were reduced to almost nothing, and the circulation to about two-thirds of its

amount at the time when we assumed the management. Notwithstanding the removal of the State deposits, and the run upon the bank before alluded to, its credit was fully sustained. Everything presented at its counter was redeemed, and, as far as I know, general satisfaction was given.

If I am not mistaken, a comparison of the proportion between the immediate liabilities of the bank and its cash resources at the time of its purchase by me, and the like proportion at the time of my sale, will demonstrate the truth of my position, that the policy pursued during the interval was that of steady and actual contraction of business and liabilities.

Not a discount was made during this time, so far as my knowledge extends, to a single director -- certainly not to myself, directly or indirectly. All that were made, were done with a view to accomodate business men, and for business purposes. I took no money whatever on my own account from the bank, except when I exchanged other for it; and even this was specially deposited in the Bank of Michigan, and not used until after I had resigned my situation as director. All the bills of the bank which I used were such as I myself had redeemed when out of the State, and this amounted to but a few thousand dollars. A number of bills (amounting in the whole to \$25,000) were taken by me to the State of New York for certain purposes which were afterwards abandoned, and the whole of the money returned, as will hereafter appear. The same identical bills were returned, except a package of \$5,000, which were exchanged in the City Bank of Buffalo for another package of the same amount, but of smaller denomination.

A rigid examination of the books of the bank will show you that my statement of its management, while I had control of it, is, in all respects, correct.

I come now, in the course of this statement, to another part of the matters in which you have requested a full disclosure. I refer to the circumstances connected with my sale of the stock of the bank.

My object in purchasing the control of this stock was with a view to connect the bank with one in the State of New York. Yourself will recollect the conversations had with you on this subject. Arrangements were made, to a certain extent, for this purpose; in carrying out the details, however, difficulties arose that had not been anticipated.

Some of the stockholders of the bank objected to any of its notes being issued, except in the form of regular discounts; in which case but a limited number could be given to any one institution, from the restrictions imposed by the sixteenth section of the charter of the Bank of Ypsilanti.

Mr. Pritchette, one of the bank commissioners, supposed that all the notes thus issued should properly be charged as circulation.

Yourself expressed very unfavorable opinions on the subject of the policy of the intended course.

I therefore determined to propose to those to whom a portion of the circulation was to have been loaned, either at once to take the bank from my hands, or to release my contract with them; and mentioned this freely to any friends in conversation.

On the day on which I expected to leave Detroit, I received a letter, of which the following is a copy:

Detroit, November 23, 1838

"Dear Sir: I am requested by some eastern capitalists to purchase a bank, and they referred me to you for the Bank of Ypsilanti. Understanding you owned the controlling interest of that bank, I take the earliest opportunity of advising you on the subject. If you want to sell, what are your terms, and what is the condition of the bank, and what is the amount of capital, &c? Please advise me as soon as convenient, and give me a brief history of the matter; and if you wish to sell, and terms suit, I am ready to purchase, in trust for others; and the bank will go into responsible hands.

I am, truly, yours, in haste,

P. S. Rawson.

T. Romeyn, Esq.

On the same day I wrote in reply the following:

Detroit, November 23, 1838.

Sir: Your letter of this date is before me. I am on the point of leaving town, and therefore must answer briefly.

I have in my name a majority of the stock of the Bank of Ypsilanti, and, if other arrangements are not perfected, I am disposed to transfer it to any gentleman who can satisfy me of his disposition and ability to support it. The capital paid in is \$100,000, of which I control near nine-tenths. If I sell, I want to receive ten per cent. premium on the whole amount of stock.

As I am at present in great haste, I must beg you to excuse me for not going more into detail.

I say to you frankly, that I will, without reserve, inquire into the validity of the recommendations which you have done me the favor of enclosing; and if they are satisfactory, and the arrangement now on hand (I refer to one contemplated with an eastern bank) be not consummated, I will enter into a negotiation with you.

In haste, but very respectfully, your obedient servant,

T. Romeyn

At this time I did not know Mr. Rawson, except very slightly. A note of Mr. Rawson's, for some amount, had been put into my hands the day before, as collateral security for an endorsement; but I took a guaranty from the person delivering it, and made very slight inquiries as to Mr. Rawson, and did not retain the note but a short time. As to his history and occupation, I knew nothing. The letters of recommendation which he enclosed were of a satisfactory kind. I shall allude to these more particularly hereafter.

Before leaving Detroit, and on the above day, I saw Mr. Rawson, who told me that he was poor, but that he had been acting for some time as agent for some highly respectable men, who were desirous of engaging more extensively than they had done in western operations; that he had purchased large amounts of flour and wheat, and other products in Ohio, and latterly in Michigan, and that he had experienced great difficulty from the inability and unwillingness of the banks to discount drafts for him; that some of his friends, and those for whom he acted, had formed a company, and were desirous of concentrating their means in a bank, and operating through it; and that he could advance \$20,000 in cash towards sustaining the bank after paying for its stock. I replied that I would think over the matter, and would write to him from Buffalo. Accordingly I did, write from that place as follows:

Buffalo, November 30, 1838

Dear Sir: I wrote to you a few days since very briefly on the subject of selling you the Ypsilanti Bank.

I have been for some time satisfied that the bank will not answer the purposes of those for whom it was originally purchased by me, as its circulation must be limited to the amount of its capital stock paid in, and the bank commissioner has assured me that any of its notes loaned to other institutions will be debited to it as circulation. I will make you a proposition, subject, however, to the contingency of the alteration of a contract with the bank already spoken of.

The capital stock of the Bank of Ypsilanti paid in, is \$10,000.

The circulation is about \$60,000. The bank is indebted to the City Bank of Buffalo in the sum of \$10,000, for which a bill has been drawn on New York; collateral to this, the like amount of notes of the bank has been deposited. There is a farther indebtedness to the State of \$10,000, for which a bill has been drawn on the Canal Bank of Albany.

There are very small amounts due to depositors, and I believe no balances in favor of other banks.

I will sell stock to the amount of \$93,703.25, and surrender the entire control of the bank.

For this, and for my services in the premises, and the responsibility assumed by me, I expect ten per cent. more than the par of the whole amount of stock.

I will assume the payment of all the drafts that may be made at the time of the transfer, on receiving from the bank funds sufficient to cover them.

I will take in payment all notes which may have been discounted by the bank since I assumed the control of it; and for the remainder I will take funds current in the city of Detroit. If the notes of the bank are paid to me, I will take care to give them a good circulation.

I will expect of you that you cause the old notes of the bank to be destroyed, and not re-issued, as I promised Mr. Fredwell (when I purchased from him) that this should be the case. Such are the leading outlines of the principles on which I am willing to sell; and if satisfactory to you, I think we will have no difficulty, on my return, in consummating a bargain.

Yours, &c.,

Theodore Romeyn

Subsequently, I wrote to Mr. Rawson, in effect as follows, (I have not retained a copy of this letter:) that he could have the bank on the terms mentioned in my former letter, as the directors of the institution in New York, who had intended to use its notes, were willing to release me from my bargain with them, and did not wish to encumber themselves with the management of the bank, and I could not conclude an arrangement with their stockholders as individuals for this purpose; that if he desired to take the bank, he must have his own directors selected, and all things prepared for a complete change, as I would retain no responsibility and would give full notice of the change.

On my way home, I received at Buffalo a line from him, simply stating that he was entirely prepared.

The only persons whose names I recollected as having been mentioned to me by him as his friends in this matter, were Mr. Maynard and Mr. Gill. The former I supposed, and certainly understood, was a resident of Onondaga county, New York; the latter of Columbus, Ohio. I inquired, and was informed, as to both of these, that they were exceedingly respectable men. From the examination of Mr. Rawson before you, it appeared that Mr. Maynard is a resident of Chenango county. Of this gentleman I know nothing. My inquiries were as to a different person.

I returned home on the 24th day of December. On the 28th I transferred to Mr. Rawson and to others, according to his directions, all my stock in the bank. A scrip for about \$15,000 was not in my possession at the time; but, as I considered it subject to my control, it was assigned with the rest, with full notice of the fact of its having been subjected to a temporary hypothecation.

The mode of transfer was as follows: The stock was transferred upon the books, and the old officers and directors resigned. A new board was chosen, who passed upon certain paper. Mr. Rawson then gave me, in payment for my stock, an equal amount of the old discounted paper of the bank. I wish it distinctly understood, that neither myself, nor any old director, examined the new paper offered for discount, or had in any way anything to do with it.

You will recollect that I had taken from the bank \$25,000 of its notes. These I brought back with me. Mr. Tracy declined to receive them, or to give me up my receipt, lest the matter should be afterwards misrepresented. I accordingly gave them to Mr. Rawson; and, not satisfied with taking up my receipt, I took from him an acknowledgement of the delivery to him of the whole amount, which was exhibited to you, and admitted by him.

At the same time, or the next day, the directors ordered the execution of the agreement accompanying this communication, marked B, by which I assumed the payment of all the drafts of the bank. This instrument speaks for itself.

The mode of transfer was the same that was adopted when I purchased. In both cases, the intention was to leave all responsibility with the new directors.

Mr. Rawson wished me to take the premium on the stock in some paper which he held. I objected, as not knowing the names. He then proposed that I should take certain stocks of a third person; and, after some hesitation, I acceded to this, and took them, as at the time there was a prospect of converting them into money.

I have now stated to you, with entire frankness, all the circumstances connected with my contract for the sale of the control of the bank, and the manner in which it was carried into effect. While no one will actually deny my legal right to sell bank stock to any person who would pay me for it, I am ready to admit my obligation to the community to see that the control of the institution went into safe and responsible hands. I now wish you to refer to the letters of recommendation which Mr. Rawson brought to me. (Schedule A). You will find them to be from persons of different States; you will see that they speak of him while yet a youth, and follow him down to the present time, during fifteen successive years; and that they all concur in their testimony as to his integrity and

respectability. The representations which he gave of his backers in the business were entirely satisfactory; he had with him a letter of credit for \$20,000 of money; and I submit to you, under the circumstances, if I was not entirely justifiable in treating with him. Since the transfer, he has exhibited to me a formal power of attorney from A. K. Maynard, regularly executed and authenticated, authorizing the purchase of the stock of the bank, and also of a mill.

I now come to speak of my conduct since the transfer of the bank.

It will be recollected that Mr. Hopkins declined to act as cashier. Mr. R. Lockwood had been in the bank for some time, and I requested him to stay until matters were settled, as he was acquainted with the situation of the bank, and I had full confidence in his capacity and integrity; and, as my own liabilities on the drafts of the bank were large, I was desirous of having some one with whom I was acquainted remain there temporarily. He agreed to stay for a few days, and for a few days only.

I solemnly declare that, from the time of my resignation as director, on the 28th day of December, I never intermeddled with the affairs of the bank in any way whatever. I kept entirely aloof from it, and know nothing of its operations, except as to the amount of its redemptions, as they were mentioned to me incidentally by Mr. Lockwood and others.

The day after the assignment of the stock, I received \$5,000 in specie, which I gave to the bank, and for which I received nothing but an open credit. This specie was used by the bank in its redemptions, and I never received anything but ordinary country funds for it.

I proposed to a friend to take the order on the Buffalo City Bank, for the money there deposited, and disburse it westward, where it would have a good circulation, and pay the draft due that bank. He referred it to his partner in Buffalo. Before any answer was received, I wrote again, arranging in another quarter for the payment of the draft, which has been taken up, and enclosing an order for the bills deposited in the bank, as I found that such an increase of western circulation might operate disadvantageously. I am advised that but a part of these have been circulated; the rest are on my hands.

Of the other drafts assumed by me, to a large amount, all except about \$4,000 have been provided for.

Of the discounted paper assigned to me to pay these drafts, I have only received about one hundred dollars. A small amount was taken in notes of the Bank of Ypsilanti, which are still on my hands; and about three hundred dollars were paid into the bank to my credit, where it remains, being covered by the injunction.

Of the ten thousand dollars paid to me in the notes of the bank, (also for the purpose of paying these drafts,) about eight thousand dollars were paid into the Farmers and Mechanics' Bank of this city. As soon as I

understood that the Bank of Ypsilanti was made the object of suspicion and remark, and that her notes were returned to her counter constantly for redemption, I went to the above bank and withdrew every dollar she had, being about four thousand dollars; which notes are still in my hands.

I loaned to a gentleman of this city five hundred dollars (which were not used by him) while the bank was in good credit, and which I am expected to take back.

To another I advanced five hundred dollars; and the moment I received information of the discredit of the paper, I wrote him a note requesting the return of the money.

Except a very few hundred dollars disbursed by me in small sums I used none of the money, except as above stated.

I challenge any individual to come forward and say that I have been instrumental in extending the circulation of the notes of the bank except as above stated. Let any man who has received them from me answer.

The result of the whole is, that, of the ten thousand dollars paid to me, more than one-half perished on my hands.

I now come to speak of my conduct while the bank was making its last effort.

Mr. Lockwood brought to me a note for ten thousand dollars, that had been discounted at the bank, and wished me to procure its re-discount. I was satisfied this was impossible, but told him I would make the effort. The only thing which I could do, was to exchange, temporarily, notes of the Bank of Ypsilanti, to the amount of five thousand dollars, for other money; which I did, by pledging my own private property and individual credit for the return of the sum advanced. All this went to the Bank of Ypsilanti, and all that I hold for it is the like amount of their own depreciated paper, and the ten thousand dollar note above mentioned.

I also went to the Bank of Michigan, and left with her teller two hundred and fifty dollars, to redeem what Ypsilanti money might be offered at her counter. This amount is also in my hands.

I was induced to make the last exertions for the bank, because I had a direct interest in sustaining her credit, not only from my recent connexion with her, but from the amount of her money in my hands. I did it in good faith, urged to it by her officers, and assured by them that a large amount of Ohio and other funds was daily expected. I did it, after unfavorable rumors had come to my ears, and against the advice of friends. The result of the whole is, that I have never circulated but a small amount of the notes of the bank; that, at my own risk, I prevented their circula-

tion in numerous instances, thereby incurring loss myself; and that I have supplied her with exchanges from my own resources, and to my own disadvantage, to nearly the amount of all that I have used. If the notes of the bank are worthless, then I am a direct loser to the amount of thousands by my connexion with her.

You have now a statement of all my connexions with the Bank of Ypsilanti, and I am sure that you will do me the justice to say that it is in every respect confirmed by all the testimony, oral and written, which has been elicited on this subject.

It only remains that I speak of what I have said and done publicly in this matter.

Before I assumed the control of the bank, I mentioned to yourself that I had it in contemplation, and did the same to Mr. Pritchette.

So soon as it had passed into my hands, I wrote you advising you of the fact, that I alone was responsible for its management.

I gave the same information to all the <sup>D</sup>etroit banks.

Immediately upon my return, I announced, to all who spoke to me on the subject, my intention of relinquishing the management of the bank.

When I had done so, I advised the Detroit banks of it, and all the agents and correspondents of the bank were advised of it, and everything was done to give full publicity to the matter.

So soon as I heard of unfavorable rumors concerning the bank I advised the bank commissioner of them. Yourself was absent, and I spoke to Mr. Bell, and requested him to go and examine its affairs. He declined, as it was out of his district. I went myself to the attorney general, and asked him to attend.\* The examination was finally made by you and Mr. Morey/ Yourself can say whether I did not do everything in my power to aid it.

Before concluding this communication, I wish to say one word about an individual whose name has been connected with the Bank of Ypsilanti. I refer to Mr. Lewis Godard. While I was interested in the bank, Mr. Godard had nothing to do with it, directly or indirectly. He is interested in a valuable property in the village of Ypsilanti, and had just finished a large flouring mill. I promised him all such accommodations as he would be entitled to from the nature of his business, but nothing more; and even

\* Not until the day after the bank stopped payment.

this was not granted to him. Except in the Detroit City Bank, I never held a dollar of stock in any bank in which he was interested, until a few weeks ago. In the Bank of Ypsilanti, he never, to my knowledge, has had any interest. Of his agency for the bank, since I went from it, I knew nothing until the matter was detailed to us by Mr. Lockwood and Mr. Rawson.

I have now given, as fully and particularly as I could, a statement of all affairs which connect me with the Bank of Ypsilanti. Yourself can bear witness to the fact that they are corroborated by every entry in the books of the bank, and by all collateral and extrinsic testimony. They go to show --

1st. That the control of the Bank of Ypsilanti was purchased by me in good faith, and in an open and honorable manner.

2d. That, while I held the control, its affairs were conducted fairly and prudently.

3d. That my transfer of it was bona fide and absolute, and justified by circumstances.

4th. That, since its transfer, I have been entirely disconnected with it, and am in no way responsible for its present condition.

5th. That I have in no manner aided in expanding its circulation; but have so managed for the safety of the public, and the benefit of the bank, as to be myself the loser.

6th. That nothing has been done covertly, or under the rose; but full publicity has always been given by me to every act connected with it.

7th. That I have invited and aided the investigation of the whole affair.

In conclusion, I have to ask of you that you will excuse me for sending you such a long communication, and one entering so much into details. It is due to myself and to the public that frauds, if any, should be traced home, and that blame should attach where it belongs.

THEODORE ROMEYN

A. Felch, Esq., Bank Commissioner, &c.

State of Michigan )  
Wayne County ) ss.

On the 30th January, 1839, personally appeared before me Theodore Romeyn, who being duly sworn, made oath, that the matters and things set forth in the foregoing communication to Alpheus Felch, bank commissioner, &c., are true, to the best of his knowledge and belief.

I. S. ROWLAND  
Notary Public, W. C. M.

Schedule A.

Palmyra, August 3, 1823

The undersigned, inhabitants of the town of Palmyra, certify that they have, for some time past, been acquainted with Philo S. Rawson, and have no hesitation in saying that his character, in their opinion, is unimpeachable as to integrity, honesty, and good conduct; and further certify, that he would be perfectly competent to the management of a mercantile store in the capacity of clerk.

Joel McCollum  
Alexander R. Tiffany  
Leonard Wescott  
Israel J. Richardson  
Thomas Rogers (2d)  
Caius C. Robinson  
Thomas Baldwin  
D. Rogers  
Benjamin Nichols  
Gain Robinson  
V. G. Barney

James Field  
P. Grandin  
Platt Williams  
L. Tucker  
Seymour Scovell  
N. W. Wilcox  
Alva Henslee  
Kingsley Miller  
William Wells  
Giles Landon  
Geo. N. Williams

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August 8, 1823.

Having just examined a certificate signed by a large number of highly respectable gentlemen of Palmyra, recommending Philo S. Rawson as a young man of fair character, and, in their opinion, competent to the management of a mercantile store in the capacity of clerk, it gives me great pleasure to state, (notwithstanding I cannot speak of his present fitness for such a situation, not having been personally acquainted with his deportment or acquirements for the last two years,) that said Philo was a member of my family from the fall of 1820 to the spring following; and that from his then regularity of conduct, knowledge, and his strict moral integrity, I could not anticipate any other character than the highly respectable one given of him in said certificate; and so far as my acquaintance will warrant, I most cheerfully join with those gentlemen in their recommendation.

DUDLEY MARVIN.

---

Palmyra, October 6, 1823

I have been particularly acquainted with Philo S. Rawson for three years past; and it gives me pleasure to state, in his behalf, that I have ever regarded him as a youth of strict integrity, industrious habits, and unoffending manners.

D. K. JONES.

Canandaigua, (N. Y.), April 15, 1828

I have for some time been acquainted with the bearer, Mr. Philo S. Rawson, and have always considered him a young gentleman of correct and honest principles, and entitled to the fullest confidence in whatever situation or employment he may be engaged.

He had been in the employ of Messrs. Mead & Lyon, of this village, for some considerable time.

I feel a pleasure in recommending Mr. Rawson to the favorable notice of those among whom it may be his lot to cast.

JOHN A. GRANGER

---

Columbus, May 16, 1838.

SIR: I understand that you wish to be made acquainted with the character and reputation of Mr. P. S. Rawson. Sir, it affords me great pleasure to be able to communicate to you my highest opinion of Mr. Rawson. I have known him for many years, and have never known him to deviate from the path of rectitude; and can recommend him to you as a moral, intellectual, and business man, and worthy the confidence of any business, and presume that he will fulfil any engagement that he may make with you.

Yours, in haste,

H. Gill

To Mr. Bell

---

Columbus, May 26, 1838.

I hereby certify that I am well acquainted with Mr. P. S. Rawson, and can cheerfully concur in the above remarks of Mr. Gill.

Yours, in haste,

J. S. SHERMAN

---

Lockport, May 20, 1838

I have been acquainted with P. S. Rason for several years past. I have had considerable dealings with him, and have always found him fair and honorable.

I consider him a competent and capable business man, and as a salesman in a dry-goods store unsurpassed in this vicinity.

MARK HOPKINS.

Lockport, May 18, 1838.

I have been acquainted with P. S. Rawson for several years, and have had considerable dealing with him. I have ever found him, so far as my dealings with him extended, fair, honest, and honorable.

S. CAVERNO

---

Lockport, April 9, 1831.

This may certify that Philo S. Rawson has been in our employ as a clerk for about two years past, and we consider him a young man of strict integrity, industrious habits, and well calculated for the mercantile business; and would recommend him to the favorable notice of those among whom it may be his lot to fall.

HAYWARD & RAWSON

---

Ypsilanti, (Mich.), June 2, 1838

To whomsoever it may concern:

This will certify that I have been for several years past acquainted with Mr. P. S. Rawson, and know him to be a gentleman of correct, industrious business habits, good moral character, strictly honest; and I cheerfully recommend him as every way worthy of the confidence of any business man.

MARVIN MINOR

---

Hartland, August 22, 1829.

This will certify that Mr. P. S. Rawson has been in my employment as a clerk for some time past, and that I consider him strictly moral, honest, and well calculated for the mercantile business.

MARVIN MINOR

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Sandusky City, May 10, 1838

Sandusky City, May 10, 1838.

SIR: The bearer of this letter, Mr. Rawson, requested from me a letter of credit to you, which I cheerfully give; and I can say that it affords me the greatest pleasure to be able to communicate to you my highest opinion of Mr. Rawson, for I have had many years of personal acquaintance with him, both in business for himself and others, and have always found him prompt, honest, and fair, in all matters of dealing, and would recommend him as such to you; and I have no doubt but that he will fulfil all and any engagements that he may make with you, and he has many friends who can say and do the same for him.

I am, truly, yours in haste,

HORACE APLIN

Mr. Bell

---

Canandaigua, March 16, 1838

SIR: This letter will be handed you by the bearer, Mr. Rawson, whom I have had many years of personal and business acquaintance with; and it is gratifying to me to say that he possesses a fund of information of business and of men, and I can say that I think Mr. Rawson worthy of any confidence that may be reposed in him by you or any other business man. As a salesman in a dry-goods store, he stands high with us; and, sir, if you and Mr. Rawson do not make a bargain, any assistance you may show him in getting into business will be gratefully received by your old friend and humble servant.

LAFFERT COISON.

Mr. L. Godard

---

Lockport, May 19, 1838.

SIR: The bearer of this, Mr. P. S. Rawson, I have been acquainted with for some years. He wishes a letter of credit from me to you. It is truly gratifying to me to say that I think him worthy the confidence and credit of any man. I think him a man of correct business habits and industry, and believe that he will fulfil any engagements that he may make with you or any other man. He is well known, and much respected by all who know him personally. I have never known him to deviate from the path of rectitude and morality.

I am, truly, your humble servant,

D. M. THOM

Lockport, May 19, 1838.

I concur with Mr. Thom in his statement above, in behalf of Mr. P. S. Rawson, and would recommend him to the attention of business men, or any man, in the community in which he may think proper to locate himself.

JUSTIS DOBBIN

Mr. Bell

Schedule B.

Articles of agreement made and entered into, this 29th day of December, A. D., 1838, between the president, directors, and company of the Bank of Ypsilanti, of the one part, and Theodore Romeyn, of the other part.

Whereas the said bank has drawn the bills or drafts specified and set forth in schedule A. hereunto annexed: and whereas, on most of these drafts said Romeyn is an endorser, and therefore liable for the payment of the same, and has actually made arrangements and advances for that purpose:

Now, this agreement witnesseth: That, in pursuance of the understanding between these parties, the said Romeyn is to pay said drafts at maturity, and indemnify and save harmless the said bank against the same.

In order to compensate said Romeyn for his advances and responsibilities the said president, directors, and company do hereby assign, transfer, and set over to him the notes, accounts, receipts, moneys, and other choses in action, specified and set forth in schedule B, hereunto annexed, with just right and full power to convert or sell the same, and appropriate the proceeds at his pleasure; he being alone liable for the payment of said drafts.

(Bank Seal) In testimony whereof, the said president, directors, and company have caused these presents to be executed, by affixing thereto the seal of said bank. And the said Romeyn hath executed the same, by fixing hereto his hand and seal.

By order of the board: R. LOCKWOOD, Cashier  
T. Romney, (Seal)

No. 2

State of Michigan) )  
County of Washtenaw) ss:

Philo S. Rawson, being duly sworn, on his oath says: That he is a director of the Bank of Ypsilanti; and, on Saturday last, was appointed by the board of directors cashier pro tem.

Deponent saith that he became a stockholder in said bank on the 28th day of last December, and has also, since that time, acted as the agent of A. K. Maynard, John Colter, Charles Barnard, A. F. Carr, S. S. Phelps, R. F. Field, Abram Van Camp, and H. Gill, who are also stockholders. Deponent purchased the stock held by the individuals above named, on the day above mentioned, of Theodore Romeyn. The abovementioned individuals now own a majority of the stock of the bank. The object of purchasing the controlling stock of the bank was to obtain facilities in the purchase of wheat, and in the provision business. The purchase was made by deponent, as the agent of the abovenamed individuals. Deponent had had correspondence with some of these individuals relative to the purchase of the stock of a Michigan bank, (without naming any particular bank.) A bonus of ten thousand dollars was paid to Mr. Romeyn by deponent, which added to the amount paid in on the stock so transferred, made the sum of one hundred and eight thousand dollars to be paid by Mr. Romeyn. For the purpose of paying the amount, deponent received promissory notes, a list of which is hereunto annexed, marked A. They were received, by letter, from said Maynard and Colter. When Mr. Romeyn made the transfer of the stock, new directors were chosen and sworn into office. The notes mentioned in the list annexed were presented to the new board, who ordered them to be received, and substituted instead of other paper then in the bank. This was done, and the paper so received was given up by deponent to said Romeyn, for the amount of ninety-eight thousand dollars aforesaid. The bonus of ten thousand dollars was paid by giving a note to a third person, who, in consideration of the same, paid the amount to Mr. Romeyn.

Deponent also had directions, by letter, from Maynard and Colter to draw on the Owego Bank and the Steuven Bank for twenty thousand dollars; and after the purchase of the bank stock, as above recited, he made drafts to that amount, and deposited them in the Bank of Ypsilanti. They were passed to deponent's credit, as agent for the stockholders.

Deponent does not know the signers of the paper mentioned in the annexed schedule, but was informed by Messrs. Colter and Maynard that they were responsible men, and the paper was good. None of the directors who allowed the paper to be substituted, as above mentioned, knew the signers or endorsers.

Deponent says that he was made a director of said bank on the 28th day of December last. A vote was passed by the directors that the old paper of the bank returned from circulation should be destroyed, and new notes executed to supply their place.

Bills to the amount of \$25,000 were destroyed by this deponent under the order of the board, and new notes of the bank to the amount of fifty thousand dollars were executed, being signed by R. Lockwood as cashier, and by John Griswold as president. Of the bills thus signed, thirty thousand dollars, or more, were issued from the bank. Ten thousand dollars were received by John Griswold for exchange purposes. There was also paid out on discounted paper as follows:

Three notes signed by James M. Grakin, endorsed by A. A. Reed and F. Blake . . . . . \$30,000  
 George B. Harleston's draft, accepted by A. G. Ogden .. 1,300

A short time before the abovementioned notes were discounted, this deponent applied to Mark Hopkins and Lewis Godard to see if some arrangement could be made by advancing bills of this bank, to obtain the means of redeeming such of its circulation as might be brought in. Hopkins and Godard went the next day to Toledo and Maumee to make an arrangement for that purpose; they returned with the paper above mentioned, and said that they had made an arrangement, and that, if the bank would discount the paper above mentioned, the bills of the Bank of Ypsilanti issued for that purpose would be protected and kept in circulation in Ohio and that this bank would immediately be furnished with Ohio and eastern funds and specie to one-half the amount. The notes for discount were left at the bank by Mr. Godard or Mr. Criswold. The amount, less the discount, in bills of the Bank of Ypsilanti, was taken by deponent into Detroit, and delivered to said Hopkins and Godard, on the 9th instant; they were to go to Toledo and Maumee, and return with funds as above mentioned: they have not yet returned, having been detained, as deponent is informed, by the absence of the person who was to furnish the funds, and no such funds have been furnished. The bills of the Bank of Ypsilanti above mentioned were not to be put in circulation unless funds to half the amount were received as above stated. Deponent further says, that said Godard has not received any bills of this bank, to the knowledge of this deponent, other than above mentioned; and that said Godard had no right to use any portion of the bills thus put into his hands.

Deponent says that he made an arrangement, about the first of December last, with said Godard, by which he paid, through him, the bonus of ten thousand dollars to Mr. Romeyn, the amount of which was paid to said Godard in menas furnished by the new stockholders. This arrangement was first proposed to Mr. Romeyn, and carried into effect about the last of December.

Deponent further says, that on the 29th of December last he received twenty thousand dollars in bills of the bank, and gave a receipt for forty five thousand dollars, including therein a receipt for bills of the bank of twenty-five thousand dollars, given previously by Mr. Romeyn. This amount has since been returned by Mr. Romeyn, and endorsed on deponent's receipt above mentioned.

Mr. Romeyn has no control or direction of the bank, and has not, since the sale from him, interfered at all in its affairs. Said sale from him was bona fide and in good faith.

Lewis Godard was to be paid for his services in effecting the arrangement above mentioned, and was not to have the use of any part of the money.

Deponent had letters authorizing him to act as agent for the above-named Maynard, Van Camp and Colter; but had nothing from the other new stockholders authorizing him to so to act, nor had they ever requested him to buy the stock for them; their names were given deponent by said Maynard and Colter.

P. S. RAWSON

Subscribed and sworn to before me, this 24th day of January, A. D. 1839.

A. FELCH, Bank Commissioner.

A.

Signed J. W. Hubbard; endorsed J. C. Munger, U. T. Scott, due April 12 . . \$10,000  
 Signed A. T. Warren; endorsed H. C. Wanzer, Orrin Harding, due April 11. . . 10,000  
 Signed C. Williams; endorsed James M. Lord, A. S. Doyg, due April 15 . . . 10,000  
 Signed T. S. Gage; endorsed John Russell, Isaac Vandelip, due April 9. . . 10,000  
 Signed D. C. Kingland; endorsed O. W. Stone, Mr. Branson, due April 15 . . 10,000  
 Signed Silas Lake; endorsed A. R. Craig, Thos. G. Sprankin, due April 26 . 10,000  
 Signed M. A. T. Schuyler; endorsed J. H. Kellogg, James E. Duff, due  
 April 7 . . . . . 10,000  
 Signed W. H. Bond; endorsed J. W. Wood, Amos Thomas, due April 19 . . . . 10,000  
 Signed J. Underwood; endorsed John Worden, W. T. Herrington, Hugh Merritt,  
 due May 4 . . . . . 10,000  
 Signed Epm. Marble; endorsed A. T. Grummond, E. S. Barnard, due April 7 . 10,000

No. 3.

State of Michigan, )  
 County of Washtenaw, ) ss.

Allen Stewart, being duly sworn, says: That on the evening of December 29, 1838, Abel Godard called on him at his house, and requested deponent to become a director in the Bank of Ypsilanti. Mr. Godard said that he had no interest in the bank, but was requested to name some fit person, and wished deponent to take the office. Deponent went to the bank, and, after having a small amount of stock transferred to him, was made a director and sworn into office.

Certain paper (being the same mentioned in schedule annexed to P. S. Rawson's affidavit) was presented, but deponent knew nothing of the signers, and cannot say whether any definite action in relation to it was had by the board.

Deponent knew that bills of the bank were signed by the new officers, but was not told for what purpose. He was told also by said Rawson that money was to be furnished to the Bank of Ypsilanti by exchange with the Bank of Wolfsborough, in New Hampshire.

ALLEN STEWART

Subscribed and sworn to before me, this twenty fourth day of January, in the year of our Lord, one thousand eight hundred and thirty nine.

A. FELCH, Bank Commissioner.

No. 4

State of Michigan, )  
 County of Washtenaw, ) ss.

Gilbert Shattuck, being duly sworn, on oath, says: That he was one of the original subscribers to the stock of the Bank of Ypsilanti, and still holds the shares subscribed by him; that on the 28th day of December last, Abel Godard came to deponent's house, and requested him to go to the village of Ypsilanti, and said that there was to be that day an election of directors of said bank at Ypsilanti, and requested deponent to receive the office of director, and to act in that capacity; deponent attended said meeting, and was elected a director and sworn into office. Abel Godard was in the bank when the meeting of directors was organized, but took no part, and did not appear by the books to be a stockholder in said bank.

At the meeting of directors above mentioned, P. S. Rawson, presented certain paper for about \$100,000. The signers were not known to deponent; but, upon the assurance that they were responsible men, the paper was approved, and the cashier authorized to receive it, and give up for it certain discounted paper then in the bank, which had been given by the former stockholders.

At the time deponent occupied the office of director, it was understood to be for temporary purposes.

Deponent further says, that on the 21st instant he inquired of P. S. Rawson whether Lewis or Abel Godard had any interest in the Bank of Ypsilanti. He replied that he had not. Deponent then inquired why Lewis Godard took so much interest in making an arrangement to obtain exchanges at Maumee and Toledo. Said, Rawson replied, that if Godard effected the arrangement, he was to have a part of the proceeds for the purpose of buying wheat. He stated that he had himself previously entered into a negotiation for said exchange with one Myers, and that said Godard went down to Toledo with the funds, and to close the arrangement; that he did not trust said Godard with the funds until he had given security by a certain note, amounting, as deponent understood, to twenty five or thirty thousand dollars.

Deponent further says, that he was not acquainted, until one day he became director of the bank, as above mentioned, with Mr. Romeyn. That while he has been director, said Romeyn has had no control of said bank and has not, to the knowledge of deponent, interfered in any manner in its concerns.

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No. 5

State of Michigan, County of Washtenaw, ss.

Robert Lockwood being duly sworn, on oath says: That he became cashier pro tem. of the Bank of Ypsilanti, on the 29th day or 30th day of December last, and had charge of said bank in that capacity from that time until the 18th day of January instant. He was offered the office of cashier by Theo. Romeyn before the transfer of the stock by him, who has liable on the paper of the bank; declined it. Mark Hopkins was previously appointed cashier. Mr. Hopkins resigned as cashier on the 29th of December, 1838, at which time deponent received the temporary appointment. Rhilo S. Rawson was appointed cashier on

the 18th of January instant, and still holds the office.

While deponent was in charge as cashier, to wit, on the 8th of January instant, he was told by some one of the directors (he thinks by John Griswold) that a resolution had passed the board of directors, authorizing the burning of the notes of the bank which had been returned from circulation. He, Griswold, who was then president of the bank, also requested deponent, as cashier, to sign notes of the bank to the amount of thirty thousand dollars, and afterwards informed deponent that they had concluded to make an issue of fifty thousand. He (Griswold) afterwards said they wanted some bills of the bank, for the purpose of making exchanges. Deponent signed bills of the bank, to the amount of fifty thousand dollars, on the 8th and 9th instant. Of this amount, ten thousand dollars were paid to John Griswold, the president of the bank; and his receipt, dated January 4th, 1839, taken for the same; of which receipt the following is a copy:

"Bank of Ypsilanti, January 4, 1839.

"Received of R. Lockwood, cashier, ten thousand dollars of the notes of said bank, for exchange, and which I promise to return, or account for.

"J. GRISWOLD."

The amount of \$10,000 was delivered to said Griswold January 4th, although the entry was not made on the book until the full amount ordered to be signed was completed on the 8th and 9th instant. This amount was not entered on the books of the bank, but was considered as a cash item. On this receipt is endorsed the sum of \$3,100. A further part of said new issue was paid out on discounted paper, as follows:

James M. Graham's note, dated December 1, 1838, at three months, \$10,000; endorsed A. A. Reed and F. Blake.

James M. Graham's note, dated December 1, 1838, at four months, \$10,000; same endorsement.

James M. Graham's note, dated December 1, 1838, at five months, \$10,000 same endorsement.

George B. Harleston's draft accepted by A. G. Ogden, dated December 10, 1838, at four months, \$1,300.

The paper abovementioned was presented to deponent by Lewis Godard, who came to the bank on the 10th of January, with John Griswold and Philo S. Rawson. Mr. Griswold and Mr. Rawson gave directions to deponent to discount the above paper, and said that the money was to be made use of for the purpose of raising funds to aid the bank until the new stockholders came on with funds. The money on the discounted paper, after deducting the discount, was delivered to Mr. Rawson. Deponent does not know that Mr. Godard was any interest in the

bank. There has been redeemed, within the last two weeks, about \$30,000 of the bills of the bank, and the bank stopped payment on Friday last. An injunction was served on the bank on the 20th instant. No assets of the bank have been suffered to go out of the bank since that time, to deponent's knowledge. The circulation, as exhibited by the books, is \$82,412. There are also in the hands of Strahan & Scott, of Chicago, \$20,000 in bills of the bank, which deponent understands is still the property of the bank. There is no minute on the books, and deponent has seen no receipt. There is also in the bank a receipt, of which the following is a copy, viz:

"Received from the Bank of Ypsilanti forty-five thousand dollars, to be returned on demand, or accounted for.

"P. S. Rawson.

"Ypsilanti, December 29, 1838.

There is an endorsement on this receipt, of \$25,000, under date of January 7, 1839. The receipt was left, by the former cashier, in the bank. There is no entry of the transaction on the books. There is also deposited in the City Bank of Buffalo \$3,497, which deponent understands is subject to the order of the bank.

Deponent is not acquainted with any of the new stockholders of the bank.

Deponent says that a paper annexed, marked B, exhibits a true statement of the affairs and condition of said bank on the day of making the affidavits, as exhibited by the books. The amount entered in said statement, as due from the Bank of Owego and the Steuben County Bank, are balances which appear to be due from those institutions. P. S. Rawson drew drafts on those banks for \$20,000, which were charged to those banks respectively, and credited in the books, to said Rawson, as agent. Deponent has drawn, as cashier, on said banks, for the redemption of the paper of the Bank of Ypsilanti, and for other purposes. The amount stated to be due from them is the balance between the original amount and said drafts. Deponent knows nothing of the validity of said drafts, excepting that Mr. Rawson declared that they would be honored.

Deponent further says, that Mr. Romeyn has not, to the knowledge of deponent, had any interest in, or control of, said bank, since his connexion with the situation.

ROBERT LOCKWOOD

Subscribed and sworn to before me, this 23rd day of January, 1839.

A. FELCH, Bank Commissioner.

No. 6.

State of Michigan, Wayne County, ss.

George B. Harleston, being duly affirmed, deposes and says: That some time the last of December, or the first of January instant, Mason Converse, of the city of Monroe, called on affirmant, and inquired if he had not some paper which affirmant could lend to him for a short time. Affirmant, supposing that said Converse wished said paper for a short time only, and to relieve himself (Converse) in some way, told him that he had three notes signed by James M. Graham; and that if he (said Converse) would not place them beyond his own control, he would let him have them for a short time. Said Converse promised this should not be done, but did not explain to affirmant for what purpose he wished said notes, saying that he would explain what he wanted them for at some other time.

Affirmant then let said Converse have the three notes mentioned above, merely as a loan; without the least compensation, and without the least idea that the notes were to be placed in the Bank of Ypsilanti, as affirmant is informed has been done.

Affirmant further says, that some days after the above transaction, affirmant was informed by said Converse that he was coming to Detroit, and affirmant handed him a draft for thirteen thousand dollars, accepted by A. G. Ogden, cashier of the Phoenix Bank in the city of New York, for the purpose of getting the said draft cashed in the city of Detroit. Affirmant says that the draft above mentioned was not delivered to said Converse for any other purpose than to obtain the money on the same, for his (affirmant's) own benefit; and he further says, that he did not obtain any money on the same draft until the morning of the 27th instant, when said Converse paid affirmant the sum of eight hundred dollars, in the notes of the Bank of Ypsilanti, signed by J. Griswold as president, and R. Lockwood, cashier; and that he has the whole of said amount now in his possession. Affirmant further says, that the said Converse at the same time gave deponent one order on Millard Earl, of Perrysburg, Ohio, for the remaining five hundred dollars; but affirmant has not yet received the same.

And affirmant further says, that the said Converse came to Monroe on or about the 14th instant, and before the Bank of Ypsilanti had stopped payment, and told affirmant that he had the amount of said draft in the notes of the Ypsilanti Bank; but declined giving the same to deponent for the reasons, as he alleged, that he had promised that the notes should be circulated out of this State.

Affirmant further says, that he never knew that the three notes so loaned to said Converse were to go into the hands of Lewis Goddard, or what was to be done with them; and that he has received nothing for them, and says, that there was no endorsement on the notes when delivered to said Converse; and that James M. Graham, the signer of said notes, died some time last spring, and that he explained to said Converse the nature of the trans-

action between Graham and himself, as a reason why he wished said notes should not be placed beyond his own control.

GEORGE B. HARLESTON.

Subscribed and affirmed this 30th day of January, 1839, before me,

E. TAYLOR,  
N. P. Wayne Co. M.

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No. 7.

State of Michigan, )  
County of Washtenaw, ) ss.

John Frink, being duly sworn, on oath says: That he resides in Chicago, in the State of Illinois, and left that city on Saturday last. That about ten days since, John Griswold, of the city of Detroit, arrived in Chicago, and took an office for the purpose, as he said, of circulating and redeeming the bills of the Oakland County Bank; but did not, to deponent's knowledge, put any of the bills of that bank into circulation. Deponent further says, that said Griswold carried with him, as he is informed and believes a large amount of bills of the Bank of Ypsilanti; and that he saw him exchange with E. A. Clark about \$400 of the notes of said bank, receiving therefor, at par, depreciated bills of several of the safety fund banks of Michigan. Deponent further says, that Messrs. Strahan & Scott, who have previously received the bills of the Bank of Ypsilanti, ceased taking the same on Thursday of last week. Said Griswold still continued to keep his office as aforesaid in Chicago, when deponent left; but does not know what amount of the bills of the Bank of Ypsilanti has been put into circulation by him.

JOHN FRINK.

Subscribed and sworn to before me, this 1st day of February, 1839.

A. FELCH,  
Bank Commissioner.

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No. 8.

State of Michigan, )  
Wayne County, ) ss.

John Griswold, being duly sworn, says: That he was requested by P. S. Rawson, and, as he believes, by T. Romeyn, Esq., about the 28th

on 29th of December last, to go to Ypsilanti and take a transfer of stock in the Bank of Ypsilanti, and become a director of the same.

The reasons which were given for this request were, that the bank was about to change hands, and that there was some business to be done, which required that some new directors should be chosen to officiate for a short time. Upon this request, deponent went to Ypsilanti, stating at the same time that he was about going west, and should not be able to stay a long time. On arrival there, some stock was transferred to deponent, by Theodore Romeyn, Esq., in order to qualify him for a director, but no consideration was paid for the same. After receiving the transfer of stock, deponent was elected as a director, at the same time with Messrs. Stewart, Shattuck, and Rawson, and was then elected president of the bank; it being then understood that such election was but a temporary one, and that deponent would continue in office but a short time.

Deponent was present at the first sitting of the board; at that time Mr. P. S. Rawson presented to the board several notes for ten thousand dollars each, for discount; upon being asked if the paper was good which was presented, Mr. Rawson stated that he knew the makers and endorsers, and that it was good paper. From this state of facts, the board directed the notes to be discounted, and it was accordingly done. Deponent knew nothing of the maker or endorser of the notes, except what was stated by Rawson. Deponent understood that paper then in bank was delivered to Mr. Romeyn in payment for his stock, and the notes so discounted were substituted in its place.

Deponent further says, that on the 4th day of January he was coming into Detroit, and, before he left the bank, Mr. Rawson asked if he would bring some money to Mr. Godard for the purpose of being exchanged. Deponent replied in the affirmative; upon which Mr. Rawson, as he believes, handed to him a package, which he (deponent) supposed contained one thousand dollars only, and which he brought into Detroit, and delivered, as requested, and took Mr. Godard's receipt - a copy of which is hereto annexed, marked A. By reference to the receipt (written with a pencil, however) it appeared that it was given for the sum of ten thousand dollars, and which is the same money for which deponent's receipt is now in bank. The whole package so brought in was in the old notes of the bank. And deponent further says that he never took one dollar of the new notes out of the bank.

Deponent further says, that the board directed the old notes of the bank on hand to be destroyed, and appointed Mr. Rawson to superintend such destruction; but he has no knowledge that any were actually burnt, except what was derived from Mr. Rawson, who informed him he had burnt some twenty-five thousand dollars.

After the board had decided that the old notes should be burnt it was resolved that some new notes should be executed, and there was accordingly signed new notes to the amount of forty or fifty thousand dollars - deponent as president, and R. Lockwood cashier. The new notes, so signed, were done expressly upon condition that they should be used out of the State, in Ohio or some distant place, where they would not soon return. On the 8th

or 9th day of January, deponent was present when Lewis Godard presented some notes for about thirty thousand dollars for discount. Mr. Rawson stated that the notes were good, and deponent consented that they should be discounted; which was accordingly done, and the money, being all new notes, delivered to Mr. Rawson, or Mr. Godard, with the express understanding that it was to be used for exchange out of the State.

Deponent further says, that he started west for Chicago, about four weeks since, and at that time he had not to exceed the sum of five hundred dollars in Ypsilanti bills, none of which were the new bills. Deponent, however, had a draft on Strahan & Scott for ten thousand dollars, which deponent presented to them, and on which he obtained the sum of ten thousand dollars.

Deponent further says, that he has exchanged about four or five hundred dollars of Ypsilanti notes for the notes of the Banks of Clinton, Brest, Saline, and Macomb County, but in no instance has he made any such exchange, and taken such notes at par; and that he has not exchanged or put away notes of the bank to a larger amount than is stated above.

Deponent further says, that he never considered himself as the permanent officer of the bank; and that it was merely as a favor to those who were interested that he accepted the office for a time.

Deponent further says, that Strahan & Scott continued to redeem the notes of the Ypsilanti Bank until about a week since; and that he had induced them to continue the redemption, by depositing with them one thousand dollars of the notes of the Oakland County Bank, as collateral security, on his own responsibility. The notes so deposited were the property of the Oakland County Bank, and he is accountable for the same. About the time deponent left for the west, he asked Mr. Romeyn whether every thing in regard to the bank was straight and in good faith; to which he replied that it was, and that he considered it as solvent as any bank in the State. Deponent further says, that he knew nothing about the affairs of the bank, but relied entirely on the statement of Mr. Romeyn and others.

That the above conversation with Mr. Romeyn occurred about the time of the transfer; and that, since then, he knows nothing of any connexion of Mr. Romeyn with the bank.

J. GRISWOLD.

Subscribed and sworn to before me, this 2d day of February, A. D. 1839.

A. Felch, Bank Commissioner.

A.

Received of John Griswold ten thousand dollars of the notes of the Bank of Ypsilanti, for exchange, and to account for to the Bank of Ypsilanti.

L. GODARD.

January 4, 1939.

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No. 9

State of Michigan, Wayne county, ss.

Theodore Romeyn, being sworn, says: That he had a conversation with Mr. Godard this morning, and that he stated that he (Mr. Godard) received the sum of ten thousand dollars in the bills of the Bank of Ypsilanti, as is shown by the receipt of Mr. Godard, in the hands of Mr. Griswold; and that he returned two thousand one hundred dollars in Ohio funds, three thousand in drafts of the bank, and five thousand dollars in the notes of the bank; all of which were returned before the bank was enjoined.

THEODORE ROMEYN.

Subscribed and sworn this 2d day of February, 1839, before me.

A. FELCH, Bank Commissioner.

Abstract of the returns of thirty-three banks and banking associations, made  
to the Legislature, pursuant to a joint resolution of February 1, 1838

Name	Liabilities				Resources				
	Capital paid in	Deposites	Circula- tion	Due other banks, &c., not on deposites	Loans	Specie	Notes of other banks	Deposites, &c., in other banks	Real estate and personal property
(1) Bank of Michigan	\$500,000	\$274,373.20	\$342,573	\$68,458.86 <sup>1/2</sup>	\$1,156,258.80	\$98,488.65	\$53,471.00	\$280,422.00	\$37,771.48
(2) Farmers & Mechanics Bk of Michigan	400,000	191,164.18	148,913		646,789.76	64,384.07	122,432.60	46,190.51	11,600.18 <sup>2/3</sup>
(3) Michigan State Bank	200,000	244,028.30	114,474.	40,622.78	251,111.98	47,891.39	178,920.27	110,599.10	20,973.00 <sup>2/3</sup>
(4) Bank of River Raisin	150,000	39,093.11	90,537	16,412.33	253,466.97	23,868.32	22,319.00	2,045.75	7,336.62
(5) Bank of Washtenaw	100,000	8,461.95	77,103	8,694.07	175,311.19	7,300.40	6,139.00	3,295.99	7,163.35
(6) Bank of Tecumseh	25,300	9,656.92	70,010	151.50	81,430.66	13,565.55	5,460.00	2,370.95	750.00
(7) Erie & Kalamazoo Railroad Bank	66,000	14,514.00	63,170	871.93	126,881.96	10,876.65	5,429.00	None	2,000.00
(8) Bank of Constantine	26,415	9,930.14	30,493	82.54	32,014.23	15,410.44	9,480.00	7,103.68	3,292.58
(9) Bank of Ypsilanti	100,000	8,025.97	108,760	1,281.77	136,216.87	18,167.21	22,473.00	14,817.07	7,035.06
(10) Bank of St. Clair	40,000	5,471.58	61,211	76.00	84,520.13	14,532.09	923.90	6,201.72	1,841.02
(11) Calhoun County Bank	45,000	14,672.00	60,154	3,180.33	46,876.47	16,230.69	17,500.00	27,166.30	
(12) Bank of Clinton	40,000	9,376.62	67,000	9,995.52	70,660.62	15,100.33	15,621.00	4,481.38	Office fur.
(13) St. Joseph County Bank	30,000	306.77	19,812		11,775.00	30,789.00	6,148.73	-	150.00
(14) Bank of Allegan	30,000	850.00			50.00	Certifet's	800.00	-	50.00
(15) Grand River Bank	50,000	-	35,109		63,284.98	18,152.24	2,565.77	1,665.19	224.44
(16) Bank of Brest	50,000	2,028.40	65,448	278.00	71,783.62	17,699.37	19,639.00	6,500.00	1,975.26
(17) Bank of Gibraltar	30,000	18,127.90	11,543		43,851.00	10,000.00	5,102.00	-	300.00
(18) Bank of Kensington	15,000	-	10,910		6,760.00	15,000.00	500.00		
(19) Farmers & Mechanics Bk of Pontiac	15,000	1,723.00	12,080	500.00	12,050.00	16,858.58	1,335.00	5,000.00	1,200.00
(20) Farmers' Bank of Genesee County	30,000	-	4,371	1,200.00	4,371.00	32,000.00	1,500.00	-	1,371.39
(21) Millers' Bank of Washtenaw	15,000	6,683.00	282		275.00	22,312.00	103.00	835.00	None
(22) Clinton Canal Bank	15,000	4,144.59	37,335	75.00	33,567.05	3,164.85	1,428.25	None	1,250.00
(23) Huron River Bank	30,000	1,155.66	3,146		24,833.09	28,430.71	2,215.00	1,449.79	359.62
(24) Farmers' Bank of Sharon	15,000	250.00	7,100		-	15,000.00	250.00	None	946.00
(25) Commercial Bank of Michigan	15,000					13,371.74			
(26) Bank of Oakland	15,000	7,143.38	23,307		19,575.25	17,411.18	8,084.34	537.60	926.15
(27) Bank of Marshall	40,000	13,440.63	49,581	56.16	61,021.70	22,079.38	4,491.00	28,722.11	None
(28) Genesee County Bank	15,000	699.15	6,940		4,696.24	12,337.82	1,954.50	None	538.30
(29) Bank of Shiawassee	15,000	2,000.00	102	2,078.38	82.00	15,570.70	3,920.00	None	202.13
(30) Farmers' Bank of Oakland	15,000	865.00	3,051		1,970.95	15,750.00	1,151.00	None	
(31) Detroit City Bank	60,000	64,964.25	18,600	1,050.00	52,724.04	60,107.30	30,168.50	None	153.43
(32) Bank of Niles	30,000	22,681.48	31,834	22,681.45	46,993.78	35,348.38	1,100.00	None	1,073.32
(33) Goodrich Bank	30,000	-	1,500		17,663.08	2,844.86	10,506.00	None	None

<sup>1/2</sup> Due United States, \$489,039

<sup>2</sup> Exclusive of bank furniture, &c.

<sup>3</sup> Incumbered to the amount of \$17,333.34.

Abstract of the returns of thirty-three banks and banking associations, made  
to the Legislature, pursuant to a joint resolution of February 1, 1838

Name	Liabilities				Resources				
	Capital paid in	Deposites	Circula- tion	Due other banks, &c., not on deposits	Loans	Specie	Notes of other banks	Deposites, &c., in other banks	Real estate and personal property
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(2) Farmers & Mechanics Bk of Michigan	400,000	191,164.18	14,8913		646,789.76	64,384.07	122,432.60	46,190.51	11,600.18
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(5) Bank of Washtenaw	100,000	8,464.95	77,103	8,694.07	175,311.19	7,300.40	6,139.00	3,295.99	7,163.35
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(13) St. Joseph County Bank	30,000	306.77	19,812		11,775.00	30,789.00	6,148.73	-	150.00
(14) Bank of Allegan	30,000	850.00			50.00	Certifot's	800.00	-	50.00
(15) Grand River Bank	50,000	-	35,109		63,284.98	18,152.24	2,565.77	1,665.19	224.44
(16) Bank of Brest	50,000	2,028.40	65,448	278.00	71,783.62	17,699.37	19,639.00	6,500.00	1,975.26
(17) Bank of Gibraltar	30,000	18,127.90	11,543		43,851.00	10,000.00	5,102.00	-	300.00
(18) Bank of Kensington	15,000	-	10,910		6,760.00	15,000.00	500.00	-	
(19) Farmers & Mechanics Bk of Pontiac	15,000	1,723.00	12,080	500.00	12,050.00	16,858.58	1,335.00	5,000.00	1,200.00
(20) Farmers' Bank of Genesee County	30,000	-	4,371	1,200.00	4,371.00	32,000.00	1,500.00	-	1,371.39
(21) Millers' Bank of Washtenaw	15,000	6,683.00	282		275.00	22,312.00	103.00	835.00	None
(22) Clinton Canal Bank	15,000	4,144.59	37,335	75.00	33,567.05	3,164.85	1,428.25	None	1,250.00
(23) Huron River Bank	30,000	1,155.66	3,146		24,833.09	28,430.71	2,215.00	1,449.79	359.62
(24) Farmers' Bank of Sharon	15,000	250.00	7,100		-	15,000.00	250.00	None	946.00
(25) Commercial Bank of Michigan	15,000					13,371.74			
(26) Bank of Oakland	15,000	7,143.38	23,307		19,575.25	17,411.18	8,084.34	537.60	926.15
(27) Bank of Marshall	40,000	13,440.63	49,581	56.16	61,021.70	22,079.38	4,491.00	28,722.11	None
(28) Genesee County Bank	15,000	699.15	6,940		4,696.24	12,337.82	1,954.50	None	538.30
(29) Bank of Shiawassee	15,000	2,000.00	102	2,078.38	82.00	15,570.70	3,920.00	None	202.13
(30) Farmers' Bank of Oakland	15,000	865.00	3,051		1,970.95	15,750.00	1,151.00	None	
(31) Detroit City Bank	60,000	64,964.25	18,600	1,050.00	52,724.04	60,107.30	30,168.50	None	153.43
(32) Bank of Niles	30,000	22,681.48	31,834	22,681.45	46,993.78	35,348.38	1,100.00	None	1,073.32
(33) Goodrich Bank	30,000	-	1,500		17,663.08	2,844.86	10,506.00	None	None

✓ Due United States, \$489,039

2/ Exclusive of bank furniture, &c.

3/ Incumbered to the amount of \$17,333.34.

Vol 5, 1839 40

Abstract of the returns of thirty-three banks and banking associations, made  
to the Legislature, pursuant to a joint resolution of February 1, 1838

Name	Liabilities				Resources				
	Capital paid in	Deposites	Circula- tion	Due other banks, &c., not on deposites	Loans	Specie	Notes of other banks	Deposites, &c., in other banks	Real estate and personal property
(1) Bank of Michigan	\$500,000	\$274,373.20	\$342,573	\$68,458.86 1/2	\$1,156,258.80	\$98,488.65	\$ 53,471.00	\$280,422.00	\$37,771.48
(2) Farmers & Mechanics Bk of Michigan	400,000	191,164.18	148,913		646,789.76	64,384.07	122,432.60	46,190.51	11,600.18 2/3
(3) Michigan State Bank	200,000	244,028.30	114,474.	40,622.78	251,111.98	47,891.39	178,920.27	110,599.10	20,973.00 2/3
(4) Bank of River Raisin	150,000	39,093.11	90,537	16,412.33	253,466.97	23,868.32	22,319.00	2,045.75	7,336.62
(5) Bank of Washtenaw	100,000	8,464.95	77,103	8,694.07	175,311.19	7,300.40	6,139.00	3,295.99	7,163.35
(6) Bank of Tecumseh	25,300	9,656.92	70,010	151.50	81,430.66	13,565.55	5,460.00	2,370.95	750.00
(7) Erie & Kalamazoo Railroad Bank	66,000	14,514.00	63,170	871.93	126,881.96	10,876.65	5,429.00	None	2,000.00
(8) Bank of Constantine	26,415	9,930.14	30,493	82.54	32,014.23	15,410.44	9,480.00	7,103.68	3,292.58
(9) Bank of Ypsilanti	100,000	8,025.97	108,760	1,281.77	136,216.87	18,167.21	22,473.00	14,817.07	7,035.06
(10) Bank of St. Clair	40,000	5,471.58	64,211	76.00	84,520.13	14,532.09	923.90	6,201.72	1,841.02
(11) Calhoun County Bank	45,000	14,672.00	60,154	3,180.33	46,876.47	16,230.69	17,500.00	27,166.30	
(12) Bank of Clinton	40,000	9,376.62	67,000	9,995.52	70,660.62	15,100.33	15,621.00	4,481.38	Office fur.
(13) St. Joseph County Bank	30,000	306.77	19,812		11,775.00	30,789.00	6,148.73	-	150.00
(14) Bank of Allegan	30,000	850.00			50.00	Certifet's	800.00	-	50.00
(15) Grand River Bank	50,000	-	35,109		63,284.98	18,152.24	2,565.77	1,665.19	224.44
(16) Bank of Brest	50,000	2,028.40	65,448	278.00	71,783.62	17,699.37	19,639.00	6,500.00	1,975.26
(17) Bank of Gibraltar	30,000	18,127.90	11,543		43,851.00	10,000.00	5,102.00	-	300.00
(18) Bank of Kensington	15,000	-	10,910		6,760.00	15,000.00	500.00		
(19) Farmers & Mechanics Bk of Pontiac	15,000	1,723.00	12,080	500.00	12,050.00	16,858.58	1,335.00	5,000.00	1,200.00
(20) Farmers' Bank of Genesee County	30,000	-	4,371	1,200.00	4,371.00	32,000.00	1,500.00	-	1,371.39
(21) Millers' Bank of Washtenaw	15,000	6,683.00	282		275.00	22,312.00	103.00	835.00	None
(22) Clinton Canal Bank	15,000	4,144.59	37,335	75.00	33,567.05	3,164.85	1,428.25	None	1,250.00
(23) Huron River Bank	30,000	1,155.66	3,146		24,833.09	28,430.71	2,215.00	1,449.79	359.62
(24) Farmers' Bank of Sharon	15,000	250.00	7,100		-	15,000.00	250.00	None	946.00
(25) Commercial Bank of Michigan	15,000					13,371.74			
(26) Bank of Oakland	15,000	7,143.38	23,307		19,575.25	17,411.18	8,084.34	537.60	926.15
(27) Bank of Marshall	40,000	13,440.63	49,581	56.16	61,021.70	22,079.38	4,491.00	28,722.11	None
(28) Genesee County Bank	15,000	699.15	6,940		4,696.24	12,337.82	1,954.50	None	538.30
(29) Bank of Shiawassee	15,000	2,000.00	102	2,078.38	82.00	15,570.70	3,920.00	None	202.13
(30) Farmers' Bank of Oakland	15,000	865.00	3,051		1,970.95	15,750.00	1,161.00	None	
(31) Detroit City Bank	60,000	64,964.25	18,600	1,050.00	52,724.04	60,107.30	30,168.50	None	153.43
(32) Bank of Niles	30,000	22,681.48	31,834	22,681.45	46,993.78	35,348.38	1,100.00	None	1,073.32
(33) Goodrich Bank	30,000	-	1,500		17,663.08	2,844.86	10,506.00	None	None

1/ Due United States, \$489,039

2/ Exclusive of bank furniture, &c.

3/ Incumbered to the amount of \$17,333.34.

Section 4.

Abstract of the returns of thirty-three banks and banking associations, made  
to the Legislature, pursuant to a joint resolution of February 1, 1838

for  
Banks  
Code  
Number  
or  
Serial

Name	Liabilities				Resources				
	:Capital :paid in :	Deposites	Circula- tion	Due other banks, &c., not on deposites	: Loans	Specie	Notes of other banks	Deposites, &c., in other banks	Real estate and personal property
3(1) Bank of Michigan	\$500,000	\$274,373.20	\$342,573	\$68,458.86 <sup>1/</sup>	1- \$1,156,258.80	\$98,488.65	\$ 53,471.00	\$280,422.00	\$37,771.48
5(2) Farmers & Mechanics Bk of Michigan	400,000	191,164.18	148,913		2 646,789.76	64,384.07	122,432.60	46,190.51	11,600.18 <sup>2/</sup>
8(3) Michigan State Bank	200,000	244,028.30	114,474.	40,622.78	3 251,111.98	47,891.39	178,920.27	110,599.10	20,973.00 <sup>3/</sup>
4(4) Bank of River Raisin	150,000	39,093.11	90,537	16,412.33	4 253,466.97	23,868.32	22,319.00	2,045.75	7,336.62
6(5) Bank of Washtenaw	100,000	8,464.95	77,103	8,694.07	5 175,311.19	7,300.40	6,139.00	3,295.99	7,163.35
7(6) Bank of Tecumseh	25,300	9,656.92	70,010	151.50	6 81,430.66	13,565.55	5,460.00	2,370.95	750.00
5(7) Erie & Kalamazoo Railroad Bank	66,000	14,514.00	63,170	871.93	7 126,881.96	10,876.65	5,429.00	None	2,000.00
1(8) Bank of Constantine	26,415	9,930.14	30,493	82.54	8 32,014.23	15,410.44	9,480.00	7,103.68	3,292.58
1(9) Bank of Ypsilanti	100,000	8,025.97	108,760	1,281.77	9 136,216.87	18,167.21	22,473.00	14,817.07	7,035.06
6(10) Bank of St. Clair	40,000	5,471.58	64,211	76.00	10 84,520.13	14,532.09	923.90	6,201.72	1,841.02
2(11) Calhoun County Bank	45,000	14,672.00	60,154	3,180.33	11 46,876.47	16,230.69	17,500.00	27,166.30	
0(12) Bank of Clinton	40,000	9,376.62	67,000	9,995.52	12 70,660.62	15,100.33	15,621.00	4,481.38	Office fur.
9(13) St. Joseph County Bank	30,000	306.77	19,812		13 11,775.00	30,789.00	6,148.73	-	150.00
5(14) Bank of Allegan	30,000	850.00			14 50.00	Certifet's	800.00	-	50.00
1(15) Grand River Bank	50,000	-	35,109		15 63,284.98	18,152.24	2,565.77	1,665.19	224.44
7(16) Bank of Brest	50,000	2,028.40	65,448	278.00	16 71,783.62	17,699.37	19,639.00	6,500.00	1,975.26
4(17) Bank of Gibraltar	30,000	18,127.00	11,543		17 43,351.00	10,000.00	5,102.00	-	300.00
7(18) Bank of Kensington	15,000	-	10,910		18 6,760.00	15,000.00	500.00	-	
0(19) Farmers & Mechanics Bk of Pontiac	15,000	1,723.00	12,080	500.00	19 12,050.00	16,858.58	1,335.00	5,000.00	1,200.00
2(20) Farmers' Bank of Genesee County	30,000	-	4,371	1,200.00	20 4,371.00	32,000.00	1,500.00	-	1,371.39
1(21) Millers' Bank of Washtenaw	15,000	6,683.00	282		21 275.00	22,312.00	103.00	835.00	None
3(22) Clinton Canal Bank	15,000	4,144.59	37,335	75.00	22 33,567.05	3,164.85	1,428.25	None	1,250.00
7(23) Huron River Bank	30,000	1,155.66	3,146		23 24,833.09	28,430.71	2,215.00	1,449.79	359.62
0(24) Farmers' Bank of Sharon	15,000	250.00	7,100		24 -	15,000.00	250.00	None	946.00
6(25) Commercial Bank of Michigan	15,000				25 13,371.74				
9(26) Bank of Oakland	15,000	7,143.38	23,307		26 19,575.25	17,411.18	8,084.34	537.60	926.15
4(27) Bank of Marshall	40,000	13,440.63	49,581	56.16	27 61,021.70	22,079.38	4,491.00	28,722.11	None
2(28) Genesee County Bank	15,000	699.15	6,940		28 4,696.24	12,337.82	1,954.50	None	538.30
8(29) Bank of Shiawassee	15,000	2,000.00	102	2,078.38	29 82.00	15,570.70	3,920.00	None	202.13
5(30) Farmers' Bank of Oakland	15,000	865.00	3,051		30 1,970.95	15,750.00	1,151.00	None	
8(31) Detroit City Bank	60,000	64,964.25	18,600	1,050.00	31 52,724.04	60,107.30	30,168.50	None	153.43
7(32) Bank of Niles	30,000	22,681.48	31,834	22,681.45	32 46,993.78	35,348.38	1,100.00	None	1,073.32
4(33) Goodrich Bank	30,000	-	1,500		33 17,663.08	2,844.86	10,506.00	None	None

1 / Due United States, \$489,039

2 / Exclusive of bank furniture, &c.

3 / Incumbered to the amount of \$17,333.34.

(6)

Do Note salary seem to have gone to  
1250 in 1839 for Mr. [unclear],  
member rep. too.  
Federal out [unclear] paid 3/12.50 quarterly

Documents Committed to the Senate and  
House of Representatives of the State of Michigan -  
Annual Session of 1843 - Detroit 1843

# 2 Annual Report of the Auditor General  
11/30/42

Bank Fund

p. 89 "The amount for which the fund was  
overdrawn \$3,900.50 [see 1841], having  
been paid from the general fund, and the  
receipts and payments under the law creating  
it having wholly ceased, it has been  
deemed proper to cancel the fund  
by carrying the amount to the general fund."

According to more detailed statement  
the \$3,900.50 has been transferred during the  
last fiscal year - 1842

Act of the Legislature of the State of Michigan - Annual Session  
1939 - Detroit, 1939. Section 5 of "The Act  
more effectually to protect the public against various  
frauds". No act could be argued under March 25, 1937  
law, and there not after 6 months.

Michigan Act 1940 - Annual Session  
March 19, 1940 - no  
tax or amount to be levied on St. Louis  
except the  $\frac{1}{2}$  of  $\%$  when in its  
"An Act for the relief of the State of St. Louis".

March 25, 1940 - An Act to abolish the office of  
fairs commissioner and for other purposes - "did  
so but did not repeal part of Act.

Act 1942 - 2/16/42 Act. repealed charter of  
state of chartered banks - included Michigan,  
Porter, Oakland, Calhoun and Pontiac but  
repealed them of good boys etc.

Michigan - Laws of Territory - Special Session 1835 August 1835

Ypsalanti bank charter special August 25, 1835

Shareholders March & Superior authorized to start bank at  
Mount Pleasant - Aug 24, 1835

3/20/36  
3/15/37

Acts of the Legislature of the State of Michigan -  
Adjourned Session 1837, Regular Session 1838

Dec 11 38

12/22/37 - An act to amend an act relating to  
specie payments by states that no bank may enter  
operation after 1/1/38 unless suspended.

Section 37 of An Act to amend an act  
entitled An Act to recognize and regulate  
bank associations "and for other purposes"

12/30/37 created a premium and round table to 1250  
annually, payable quarterly yearly out of specie funds

Sec 39 of same had to do with ordinary bills

Document Accompanying the Journal of the Senate  
the State of Michigan - Annual Session 1838 -  
Detroit - 1838

Page #2 State Commissioners Report 12/6/37

[don't as state but probably 2<sup>nd</sup> Annual]  
Still single Comm but suggests differently add detail]

Mentions 14 chartered banks - eleven "subject  
to the supervision of the State Commissioners"  
Two of these are in Macomb  
County - possibly, I guess, that they  
did.

[more "In supplying a circulating medium at  
home, the want of which was already  
greatly felt, the banks which have gone  
into operation under the general banking  
law have effected a sensible relief, and have  
thus acquired a not unmerited popularity."

no mention of fund

#5

I receive Report 1/1/38 - day not  
 mention bank fund. In listing receipts  
 of state vehicles "bank tax" but presumably  
 they were the other  $\frac{1}{2}$  of 1% included in bank  
 list. As follows.

	1/10/37 - Pub. Chitton	- 50.00	
	1/14/37 - St. Clair	- 5.83	
	1/14/37 - Ypsilanti	- 76.84	
	1/30/37 E & Jd	125.00	
semi tax on line 1/1 and 7/1	7/7/37 E & Jd	118.00	
	7/13/37 St. Clair	54.79	
	10/30/37 Ypsilanti	162.50	592.96
		<u>492.96</u>	

Note - salary of Pub. Chitton 1,000 per annum  
 in 37 - before it was 300 in 1936

Total listed under receipts of pub. tax 592.96  
 check out

State Contingent fund & Nat'l Highway Fund list  
 no bank fund

And send Report - #6, 1/1/38 day not  
 mention Pub. Fund.

Michy Joint Doc 1843 Ann Report  
 #12 Report of the joint committee of  
 Michigan into the condition and affairs  
 of the of women and Mechanic Bank of  
 Michigan  
 Circulation 1/1/43 - 70,536

---

Treasurer Report in Joint Account  
 of the State and Wayne of Population  
 Annual Report 1844, #1, 12/1/43  
 note that Grand Fund paid out  
 182.79 an amount of Prob Fund.

Journal of the House of Representatives of the State of Michigan 1837 - Document  
included with accompanying red bound with - Detroit 437

Neither Auditor General's Report of January 1836  
nor Treasurer Report 12/29/36 mentioned bank  
fund or any receipts from sales.

page 6

12<sup>th</sup> Annual Report of the State Comptroller of the State  
of Michigan 4/5/37 (Marcel J. Bacon

p. 513

Mention 16 chartered banks, "by of that  
number are subject to the provision of the bank act..."

Ex H R R, Ypsilanti, Cassville, Clinton,  
Calhoun county, Oakland county.

Mich St Char "is subject to the general  
supervision of the Comptroller."

p. 514

later mention the above in (act Mich)  
or "banks under the safety fund law."

As the object of the bank act was not only  
to raise a fund but to introduce a general system  
which should embrace all banks the banks, I should

respectfully suggest whether some instrument  
should not be left out to insure other  
A.F.20 institutions to come under its provisions".

---

Pa 10 Doc #10 - Report of St. Louis Railway R.R. Co -  
4/10/37 - lists expenditures to 11/1/37  
of 6,207.57

pa 16 - St. Louis Gen. Ledger for books  
about June 1, 1837.

---

Munday d etc 1942 - d n d it to amend the separate C  
 rights of water beds and further purposes - 2/16/42

Cancelled

Mullen Madeline  
 Shawnee County  
 Michigan Centre  
 White Pigeon  
 Camanche Ia.  
 Marshall County Ia.  
 Chippewa County  
 Battle Creek  
 Mole  
 Camanche Ia  
 Adron  
 Saline  
 Boone County  
 Wayne County  
 present

Calderon  
 St. Joseph City  
 Farrow Shown  
 Jackson City  
 Farrow Lockport  
 Clinton Pool  
 Det & St. Jo.  
 Munk & Munk-Man.  
 Lawrence County  
 Pa of Clinton  
 Hiram Ohio  
 Detroit City  
 Farrow Oakland  
 Pa of Oakland  
 Singapore

Shawnee Exchange  
 Faper  
 Farm & Munk of St Joseph  
 Jayman City  
 Farrow Kansas  
 Manhattan  
 Farrow  
 Liberator.  
 F & M Poth  
 Hlyon  
 Grand Prairie  
 Farrow Geneva  
 Geneva County  
 Munk  
 Dealuck  
 Admington  
 Marshall.

Lot of subject on loan water - new to secure  
 payment etc but no mention of save fund.

Demond 1 tabule 2nd 7% of surplus  
 interest.

1937  
 State a man

Michy 1<sup>st</sup> 1849 - March 28/1849

Obtained Pennsylvania Park at Detroit

See 13 exhibits copy of 1<sup>st</sup>

as printed style "which shall be in  
series of all other tapes"

Procure & compare the Journal of the Senate  
of the State of Michigan - Annual Session 1839  
Detroit 1839.

State Treasurer Report # 2, December 31, 1838

A Statement of the Public Fund, year 1838.

Balance on hand 12/31/37 - 145.14

Receipts 1/15/38

Bank of Oakland	- 24.05
Bank of Pontiac	1.23
Genesee County bk	1.70
Bank of Detroit	<u>75.00</u>
	101.98

1/16/38

McJahire	12.74
" Calderwater	<u>9.00</u>
	21.74

1/17/37

Bank Marshall	27.94
Detroit City	4.10
Genesee Pt Oakland	<u>1.23</u>
	33.27

1/23/37

Pch of Lopez - 5.13

Pch of Goodrich 8.65

13.78

1,711.38
1,145.14
<hr/>
1,166.24

1/24 - Pch St. Clair 143.28

2/2 - Wayne County Pch 7.80

2/5 - Saginaw City Pch 2.05

3/22 - Pch. Nited 23.21

3/10 - Pch Subalter 150.00

3/26 - Pch Gprounter 414.38

3/26 - Francis Pch Warner 188.92

4/5 - Pch Constantine 65.83

1,310.38

995.47
17.78
33.27
21.74
6107.98
<hr/>
1,166.24

Paid 1/13/38 - for printing books and mortgages for use of park commissioners 51.00

Net 1,260.38

Senate 1838 - have reports from banks - mostly  
J. F. amount Feb 1838.

No 52 4/6/38 - Communication from  
the Treasurer exhibiting the state of  
the Treasury - first one to my  
knowledge - have not heard since - get  
inhabit like "bank fund" - had  
credit of \$1,245,55.

Monday Oct 1937 - Grand & H. L. Linn.

"An Act suspending for a limited time certain provisions of law and for other purposes" 6/22/37

Signed until 5/16/38

See & signed all have not subject to Paul Ford to accept provisions of that act relating to notes by B.C.

Also in supplementary section

Monday Oct 1st Section from 1835/36  
District 1836

Note Ypres was checked  
3/28/36 also - can't see if set  
was same one.

3/28/36 - ~~Oct~~ Section 5 of

~~Oct~~ ~~Section~~ ~~5~~ ~~of~~ ~~the~~ ~~same~~ ~~one~~ ~~with~~  
Gold plate ~~was~~ specifically added it  
to have found

---

No return of lumber or Material Party Pan.  
Accepted

fund at the end of 1938 at 1260.38. Table  
 #1 shows the long continuing and the amounts paid  
 into the fund. It will be noted that  
 no volume is made of the value of the  
 Govt. currency or other property made a receipt  
 of some facilities

The fund at the end of 1939 ~~was~~  
~~had increased in size somewhat~~ ~~very slightly~~  
~~increased in size~~. The ~~annual~~ report for  
 that year [Doc # 3, ~~Public~~ ~~Company~~  
~~of the State of the State of Miss. - ~~Ann~~ ~~Ann~~ 840,~~  
~~Revised~~, <sup>12/1/39</sup> 1940] shows payments into the  
 fund totaling \$ 762.64. Only one ~~source~~  
 and the grand total, the ~~Structure~~ ~~of~~  
 Jackson County paid in ~~only~~ ~~as~~ ~~property~~, ~~Finance~~ ~~of~~ ~~the~~  
~~district~~ ~~only~~ ~~subject~~ ~~to~~ ~~the~~ ~~fund~~ ~~of~~ ~~the~~ ~~fund~~  
 made up the bulk of the ~~income~~ ~~Calhoun~~ ~~County~~ ~~Per~~,  
~~Part~~ ~~of~~ ~~St.~~ ~~Clair~~ ~~and~~ ~~the~~ ~~Part~~ ~~of~~ ~~Co~~ ~~where~~.

Over the same period, ~~income~~ ~~was~~  
~~total~~ ~~of~~ ~~687.50~~ ~~and~~ ~~all~~ ~~of~~ ~~these~~ ~~amounts~~  
~~due~~ ~~in~~ ~~form~~ ~~of~~ ~~Part~~ ~~of~~ ~~the~~ ~~Pub~~ ~~Com~~,  
~~Whether~~ ~~the~~ ~~same~~ ~~was~~ ~~for~~ ~~relief~~, ~~expenses~~  
~~or~~ ~~in~~ ~~payment~~ ~~to~~ ~~some~~ ~~extent~~ ~~is~~ ~~not~~ ~~known~~. In  
 any case it ~~was~~ ~~too~~ ~~small~~ ~~a~~ ~~sum~~ ~~to~~ ~~have~~ ~~caused~~ ~~any~~ ~~one~~ ~~of~~ ~~the~~

These figures for the year 1839. <sup>K.P.</sup> The net amount credited to the first fund, at the end of March 1839 was \$1,335.52.

A note in the report added that the same same "amounts of deposits in Michigan State Bank totaling 1,204.73 and bill of the Detroit City Bank of \$131.29. [p 626, Summary of accounts]

The reports of the state auditor and auditor general for the year 1841 clarify the situation of the fund. [Summary of accounts] A review of the part of the W of M of the State to a review of 1841, Michigan first summary, Detroit 1841 #2 <sup>(12/30/40)</sup> and #3 (training) 12/30/40. Apparently the expense of the bank commission, then reduction of the J.C. and any other expense had been charged against the state's general fund. As a result at the end of 1839 the fund was actually amounting 4,205.49 (Auditor's report). In 1841 amount drawn on Treasury chargeable to the bank fund total 187.51 and at the same time 280.00 was received by the fund. The amount the fund was authorized at the end of 1841 stood at \$4,113.00.

Accounts Recompiling the Journal of the Name  
of Population of the State of Michigan - Annual  
Person 1841, Michigan Joint Account,  
p. 100-101. #

# 3 - Annual Report of the State  
Treasurer 12/30/40 and Auditor  
General Report #2, 12/20/40.

show or indicate that payments  
out of bank fund had been credited  
to General fund properly. They  
new status of bank fund according  
to Auditor

Balance Overdrawn 11/30/39 -	4,205.49
Warrant drawn on Treasurer (1940)	187.51
Less Amount received	280.00
Amount now overdrawn	4,113.00.

Treasurer report same - shows authority  
warrant 312.50, amount overdraw 3800.50

Receipts Accompanying the Journal Vouchers  
of the State of Michigan - Annual Report 1940  
District 1940

Treasurer Report 12/1/39 (#3)

Bank paid -

Balance 1/1/39 -	1,260.38	
1/5/39 - Michigan Michigan County		127.70
1/10/39 - Calhoun County Park		237.70
1/14/39 - " " "		25.00
2/22 - St. Clair Park		240.38
2/27 - St. Constantine		131.87
5/1 -		<u>2,123.02</u>

~~Bank~~ "Bank"

Purchases	payment of amount to H. Pritchelle	312.50
"	" " A. F. Felt	62.50
"	" " H. Pritchelle	312.50
		<u>\$ 687.50</u>

762.64
1,260.38
<u>2,023.02</u>

Net - 1,335.52 (11/30/39)

R. 626 of State rate " consists of deposits in Michigan  
State Bank 1,204.23, half of the District  
City Bank 131.29

Michigan

Report of Bank Commissioner Jan 5, 1837

Statements  
Jan 1837

Sixteen banks in State

Six subject to bank act

Essex and Kalamazoo Railroad Bank

Bank of Ypsilanti

Bank of Constantine

Bank of Clinton to open in two months

Calhoun County Bank - to open Feb 15, 1838

Oakland County Bank

One subject to general supervision of Commissioner  
Bank of St. Clair

Nine liable to report to governor and legislature  
Bank of Michigan one branch at Ann Arbor

Farmers and Mechanics' Bank of Michigan one branch at St. Josephs.

Michigan State Bank - right to establish branches at Pontiac

Bank of the River Raisin

Bank of Monroe

Bank of Washtenaw

Bank of Pontiac

Bank of Tecumseh

Macomb County Bank - to open "next summer"

Act suspending specie payments (1837)

Sec. 7 No part of the income of the "Bank Fund" shall be paid to the corporations by which the said fund was created, until they shall have resumed the payment of their debts in specie.

Michigan

Extract from Bank Commissioner's Report read in Senate Jan 18, 1839

Refers to several banking laws of 1837.

49 banks organized in a little over a year.

In 1839, ~~the~~ after Bank of Michigan had failed, noted that  
safety fund money deposited on pledge of State officers  
that it should be redeemed, special — one of several  
claims which it was proposed to be transferred to the  
State — in settling the balance due the State.

Commissioners replied that they knew of no pledge made by State  
officers, that the safety fund money deposited should be redeemed  
by the State.

Bank apparently reorganized.

Statistical  
data

WELLS FARGO BANK  
ST. LOUIS, MISSOURI  
1897-1900

Z—TABLE I.—

Name, place, and date.	Loans and discounts.	Real estate.	Due from banks.
Farmers and Mechanics, Detroit, Jan. 1, 1835 - -	\$229,531	\$12,958	\$96,154
(a) Bank of Michigan, Detroit, Dec. 31, 1834 - -	870,481	9,836	137,520
Bank of River Raisin, Monroe, Dec. 31, 1834 - -	80,203	-	832
	1,180,215	22,794	234,496

(a) The Bank of Michigan has a branch at Bronson.

TABLE II.—

Michigan State Bank, Detroit, Oct. 26, 1835 - -	76,976	-	21,574
Bank of Pontiac, Pontiac, Nov. 2, 1835 - -	25,307	-	-
(a) Bank of Monroe, Monroe, Nov. 5, 1835 - -	19,519	-	-
(b) Bank of Washtenaw, Cape Ann, Oct. 31, 1835 -	34,208	-	16,140
	156,010	-	37,714

(a) "This Bank has been in operation but one month since its resuscitation."

(b) "This Bank issued its first bill on the 5th of September, 1835."

TABLE III.—

(a) Wisconsin, Green Bay - - - - -	-	-	-
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(a) Not yet commenced operation. Its authorized capital is \$100,000, all of which has

TABLE IV.—

Total of table I, 3 Banks, 1 Branch, Dec. 31, 1834 -	1,180,215	22,794	234,496
Total of table II, 4 Banks, Nov. 1835 - - - -	156,010	-	37,714
Aggregate - - - - -	1,336,225	22,794	272,210
Table III, 1 Bank, Nov. 1835 - - - - -	-	-	-