

MATERIALS REGARDING DEPOSIT
GUARANTY IN MISSISSIPPI, 1914-30

MISSISSIPPI

Additional material can be found in the following folders filed with this binder:

Statistical analysis - Mississippi deposit guaranty fund
Data for failed banks
Operation of fund

#48. Sen Kyle. Sen Jr 1914

48, 152, 313, 314, 320, 328, 342, 369, 392, 425, 586, 606, 657, 694, 707, 747

Page 13

Joint leg. com. hid it under accident but reports improper.

Sub w bus. #62 (1912)

Hse Jr. 1914

541, 547, 582, 583, 589, 698, 711, 808, 820, 846, 863, 1097

Shaw & Co.

Miss Stout Reports
1913-1915

Mar 10, 1914 - Messrs L Gov. thought it was splendid law
but pointed out: ^{thought written to} ① Bk Exam. are absolutely eyes so
far as bank is concerned + have power to plan any bk, solvent
or insolvent in liquidation in the St; if they thought it should be done.

Recommend that a separate provision be passed that if the
Bk Exam. undertake to liquidate any Bk + officer
not desirist, they are permitted to fail with the examiners
a solvent bond for 25% greater than all their liabilities +

Obtain an injunction to prevent their liquidation, as it is
possible for exam. to liquidate a solvent bk.

A Hist of Bkng in All Nations, Sumner, Vol 1 p 61-61
Early Hist Vol I p 107 in Rowland

Miss Hist Soc. Cent Series - Chitt p 157 Guarantee Bk Deposit

Existence of Decentralization to 1914

Est of Bk of Mass, Dec 23, 1809 Nutley cap stat \$ 500,000
to Dec 1834

1787 men charged to The Bk of Mass - cap raised to 3,000,000

- gov & subscr 1 sh for 24 prop individuals

Governors to 5 dis + 1 life to go in 1840

at same session & transfer authorized

- no other bk was to be estd in the St during the life of Jefferson

1821 interest by gov as a monopoly

1822-29 debt of St incurred - leg wanted bk to expand but upon refusal

in 1830 ^{J. W. Allen} Planted Bk with at Nutley - authorized to issue paper money

Guarantee

RW. Millsaps, Hunt. Banking

1231 Bk of Miss liquidals due to help Test liquid on Planks Bk ✓
lead to further wildcat banking.

- delt from

1235 - 3 combined RR + Bk to chartered all issuing - pure
Panic

1237 Bk loan report point out the errors of the Bk + by
1240 cases of - Bk at end

- conditions in Genl loans never pd, deposits never redeemed

In 1282 all Bk of st placed under inspection

however no real supervision was done - this went to quarterly

reports to Auditor + Auditor was supposed to get all such reports

but beyond this no direction from gov agency

agitation from depositors. They wanted law to insure deposits
no reason to for failures

bus. depression in \leftarrow areas; unwise bus. methods of the officials
wildcat bkr., looting, no central supervision - St. Bk. Dept's
no authority

They Jan + Feb 1914 - 14 St. Bk. failures with losses of $^{\$}$ 300,000 to depositors
- goes into detail in the law & its purpose

Miss Hunt 80. - 1 dist of Bk in Miss

Loss only to 1799

MATERIALS REGARDING DEPOSIT
GUARANTY IN MISSISSIPPI, 1914-30

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Newspaper articles

Correspondence

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Statistical data - failures

Statistical data - operation of fund

Notes re revision of report

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Laws and law cases

Session Laws:

~~1906, ch. 146~~

1914 (extra session of 1913), ch. 124

1916, ch. 207

1918, chs. 166, 247, and 248.

1920, chs. 187 and 192.

1922, ch. 172.

1924, chs. 175 and 176.

1928, ch. 94.

1930, ch. 22.

~~1931, ch. 12~~

1931 (extraordinary session), 12

1932, ch. 282.

1934, ch. 146.

1906, ch. 14.

1918, chs. 153, 158, and 165

1920, chs. 183-86, and 188-89.

1922, chs. 173-74, and 176-77.

1924, chs. 172-74.

1926, chs. 247-252.

1928, chs. 93.

1930, ch. 269.

1932, chs. 251, 301, and 336.

State Supreme Court:

Anderson, State Bank Examiner v. Baskin & Wilbourn, (1917), 114 Miss. 81, 74 So. 682.

Anderson et al., Bank Examiners v. Owne et al. (1916), 112 Miss. 476, 73 So. 286.

Bank of Oxford v. Love et al. (1916), 111 Miss. 699, 72 So. 133.

Board of Levee Com'rs. v. Love, Supt of Banks (1927), 147 Miss. 183, 113 So. 335.

City of Jackson v. Deposit Guaranty Bank & Trust Co. (1931), 160 Miss. 752, 133 So 195.

Johnson, State Bank Examiner v. Johnson (1924), 134 Miss. 729, 99 So. 369.

Love, Supt of Banks v. Citizens Bank and Trust Co. of Marks (1925), 140 Miss. 585, 105 So. 484.

Love, Supt of Banks v. Murry, State Treasurer, (1924), 135 Miss. 749, 100 So. 277.

Mississippi Banking Department et al. v. Adams, (1924), 127 Miss. 122, 102 So. 70.

Wardlaw, State Bank Examiner v. ~~Bank~~ Planters' Bank of Clarksdale, et al. (1923), 131 Miss. 93, 95 So. 135.

United States Supreme Court:

Bank of Oxford et al. v. Love et al., Bank Examiners of the State of Mississippi (1919), 250 U.S. 603, 63 L. Ed. 1165.

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1924-25, 1926-27, 1928-29, 1931-33. 1916-1933

Biennial Reports of the Department of Bank Supervision, 1934-35 and 1951-53.
Statements for Individual Banks.

Statements showing the condition of State and National Banks in Mississippi,
1914-1930.

Other Publications and Manuscripts

→ Cooke, Thornton. "Deposit Guaranty in Mississippi," Quarterly Journal of
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Mississippi Law Journal, II (November 1929), 186-202.

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. Interview, October 22, 1934.

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Spencer, E. O. Interview, January 16, 1956.

The Southern Banker, 52-64 (1929-1935).

Mississippi

- 3 - Bank of Oxford v. Love et al., 111 Miss 699, 72 So. 133 ⁽¹⁹¹⁶⁾
- Bank of Oxford et al. v. Love et al., Bank Examiners of the State of Mississippi, 250 U.S. 603. ^{(1919) 63 L Ed 1165}
- 2 - Anderson et al., Bank Examiners v. Owne et al., 112 Miss. 476, 73 So 286. ¹⁹¹⁶
- 6 - Johnson, State Bank Examiner v. Johnson, 134 Miss 729, 99 So 369. ¹⁹²⁴
- 10 - Wardlaw, State Bank Examiner v. Planters' Bank of Clarksdale, et al., 131 Miss. 93, 95 So. 135. - ¹⁹²³
- 8 - Love Supt. of Banks v. Murry, State Treasurer, 135 Miss. 749, 100 So. 277. ¹⁹²⁴
- 7 - Love, Supt. of Banks, v. Citizens Bank and Trust Co. of Marks, 140 Miss. 585, 105 So. 484. ¹⁹²⁵
- 4cb - Board of Levee Com'rs. v. Love, Supt of Banks, 147 Miss 183, 113 So. 335. ¹⁹²⁷
- 9 - Mississippi Banking Department et al. v. Adams, 127 Miss. 122, 102 So. 70. ¹⁹²⁴
- 1 - Anderson, State Bank Examiner v. Baskin & Wilbourn, 114 Miss. 81, 74 So. 682. ¹⁹¹⁷
- 5 - City of Jackson v. Deposit Guaranty Bank & Trust C., 133 Miss. 195, 160 Miss. 752 (March 23, 1931).

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- 1934 ch. 146.
- 1906 ch 14.
- 1914 (extra session ¹⁹¹³) ch. 124.
- 1916 207.
- 1918 - 765, 247, 166, 153, 158, 248
- 1920 - 188, 189, 187, 192, 184, 183, 185, 186
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- 1931 - extraordinary session, 72

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 1934 - 146

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- ~~1924-1925~~ ✓
- 1926-1927 ✓
- 1928-1929 ✓
- 1931-1933 ✓

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I *1-20* *1914-1936*
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1929-1935

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By W. P. McMullan Jr.

April 1952

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J. S. Love
Sept. 1952

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Vol X, no. 1 (March 1903),

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II. legislation

From Index to Mississippi Annotated Code 1906 - items relating to
Banks and Banking and to Interest

BANKS AND BANKING

Chapter 14 "Bank and Banking" (Chapter 14) sections 256-267

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SELECTED PROVISIONS FROM MISSISSIPPI ANNOTATED CODE 1906 RELATING TO BANKS

Note. Items relating to banks in the Code of 1906 are indicated by the attached except from the Index to the Code. Only selected items are summarized or quoted below.

Sec. 256. (Acts 1888). Every bank and every person, corporation or association of persons receiving money on deposit, or issuing, buying or selling exchange, or otherwise doing a banking business, shall make a balanced statement, under the oath of the owner, or one or more of the officers of the bank, to the auditor of public accounts, at least four times in each year of the condition of the bank or banking business, showing the resources and liabilities thereof, and the amount of the indebtedness to the bank which is owing by its owners or stockholders and officers and directors, on the blank forms prescribed by the auditor, and in duplicate. On receiving the statement, the auditor shall examine it, and, if found correct, shall file one copy and return the other to the bank, indorsed "Examined and found correct," and the bank shall thereupon, within ten days, cause the same to be published, with the endorsement of the auditor, at its own expense, in a newspaper published at the place of domicile of the bank, or, if there be none so published, in a convenient newspaper having a circulation in such place.

Secs. 260-261 re branch banks - see notes on 1917 code - identical

Sec. 262 Requires three regular meetings each calendar year of the board of directors of every bank "for the purpose of making a full and careful investigation and inquiry into the condition and affairs of the bank, and particularly of its accounts and securities." Requires accurate and complete record of such meetings, signed by the directors participating.

Sec. 1141. "If any bank or collecting agent...shall unlawfully convert to his own use any money or valuable thing..." Provides penalty.

Sec. 1169. If the president, manager, cashier, teller, assistant, clerk, or other employe or agent of any bank or broker's office or establishment conducting the business of receiving on deposit the money or other valuable things of such persons, shall remove or secrete or conceal the assets or effects of such establishment for the purpose of defrauding any of the creditors of the establishment, or shall receive any deposit knowing, or having good reason to believe, the establishment to be insolvent, without informing the depositor of such condition, on conviction, he shall be imprisoned in the penitentiary not longer than five years."

Sec. 2678. Legal rate of interest six percent, but contracts may be made in writing for interest as great as ten percent. Any greater interest stipulated or received may be recovered.

Sec. 2679. Applies this legal rate of interest to banks, with contracts providing higher rates invalid, and the whole of ~~such~~ the interest or discount provided for void and subject to recovery by the debtor.

Sec. 2681. Partial payments to be applied first to interest accrued to time of payment.

Sec. 3119. None of the provisions of this chapter shall apply to suits brought to enforce payment of notes, bills, or evidences of debt issued by any bank or moneyed corporation.

NOTES ON BANKING LAWS IN MISSISSIPPI IN FORCE PRIOR TO LAW OF 1914

(Prepared from The Annotated Mississippi Code showing the general statutes in force August 1, 1917, embracing the code of 1906 as amended and all permanent general and public acts of the legislature passed since the adoption of that code...by William Hemingway (Indianapolis, The Bobbs-Merrill Company, 1917).)

Note. The banking Law of 1914 did not repeal any former laws, except as court decisions later indicated that such was the effect. Consequently, it has been assumed that the sections of "Chapter 82 Banks", (pp. 1829-1867), which comprises sections 3520-3635, ^{that do} not referring to the Law of 1914 or that of 1916 were the full banking code prior to the act of 1914, ch. 124. All sections that do not refer to the law of 1914 or of 1916 are listed below, with the subject, but are summarized only when thought desirable for use in connection with deposit guaranty study. *quoted or*

3520. Deposits of deceased persons--To whom notice given

3521. "Branch banks--Restrictions upon organization. The creation or organization of any branch bank in this state after this chapter goes into effect shall be and the same is forbidden and prohibited, and no branch bank shall be thereafter established in this state, and no parent bank chartered under the laws of this state shall thereafter establish any branch bank either within or without the state."

3522. "Branch banks--Minimum capital to be employed. Every parent bank operating one or more branch banks shall set apart and devote from its capital a sum not less than ten thousand dollars ^{for} the exclusive use of each of said branch banks in its business, and the amount of the capital of the parent bank employed by each branch bank shall never at any time be less than the said amount of ten thousand dollars."

~~3523. Trust companies (See Mrs. Bastedo's summary)~~

3524. Duties and powers of trust companies. (See Mrs. Bastedo's summary)

3525. Mutual loan department. (See Mrs. Bastedo's summary).

3526. When words "banking" and "trust company" to be used. (See Mrs. Bastedo's summary).

3527. Bank not to permit use of its name by other persons.

3633. Banks authorized to establish clearing houses.

3634. Such associations to have power to adopt rules and regulations for their protection.

(In law relating to corporations):

4096. Restrictings on loans by. "A loan of money shall not be made by a corporation to any stockholder therein....; but banks and building and loan associations may loan money to their stockholders. But a bank of deposit shall not loan a sum greater than one-fifth of its capital to any officer or director thereof, and the officers and directors of such bank authorizing the loan shall be individually liable to the bank for any loss sustained by reason of a loan of more than one-fifth of its capital stock to an officer or director."

4097. *See next page*

NOTE. Court decisions referring to Code of 1906 that suggest other pertinent aspects of previous law refer to following sections of 1906 code: 923. re personal liability for paying dividends when corporation is insolvent; 1169, re receipt of deposits under certain conditions, was repealed by 1914 law; 52, re banking repealed by 1914 law.

1922
in 1906
code

NOTES ON BANKING LAWS IN MISSISSIPPI IN FORCE PRIOR TO LAW OF 1914 - Continued

4097. (923 in 1906 code). "Capital not withdrawn or dividend declared by insolvent. No part of the capital stock in any corporation shall be withdrawn or diverted from its purpose, nor a dividend declared, when the company is insolvent, or would be rendered insolvent by such withdrawal on the payment of such dividend; and the directors who assented to withdrawal, or declared and paid such dividend, as well as the stockholders who received it, shall be jointly and severally liable to creditors whose debts then existed, to the extent of such withdrawal or dividend and interest.

NOTE - continued. The substance of these repealed sections is given below, taken from the Annotated Code of 1906.

NOTE: Green figures at right indicate year in which the paragraph was amended.

CHAPTER 124.

SENATE BILL NO. 48.

AN ACT establishing a banking department for the State of Mississippi, creating a board of bank commissioners, prescribing their qualifications, duties, and compensation, providing for the election of State bank examiners, prescribing their qualifications, duties and compensation, defining what shall constitute a bank and banking business in the State of Mississippi, fixing the capital required to do a banking business, and providing for the examination, regulation and control of banks and banking business conducted by corporations, other than national banks and postal savings banks and fixing the assessment for the revenues of the department, fixing qualifications and liability of officers, stockholders and directors of banking corporations; fixing the qualifications and liability of persons, firms and corporations in the banking business; providing for the payment of deposits to minors and other persons under disability and on joint account; prohibiting banking except under the provisions of this act; providing for the liquidation of banks and the distribution of the assets thereof; providing for giving publicity to deposits more than five years old; and prescribing penalties for the breach of any of the provisions thereof, and to provide a system for guaranteeing deposits, and for other purposes, without expense to the State.

State department of banking created.

Be it enacted by the Legislature of the State of Mississippi.

Section 1. Establishment of State banking department. There is hereby created a banking department of the State government charged with the execution of all laws relating to corporations and individuals doing or carrying on a banking business in the State of Mississippi. The office of said department shall be located in the city of Jackson, and the secretary of state shall provide suitable quarters therefor.

*1918
changed
by
1922*

21922 provide for Supt. of Banks

Three bank examiners to be elected by supreme court districts.

Sec. 2. There shall be a board of bank examiners consisting of three members who shall choose from among themselves a chairman, and a majority of whom may for all purposes act for the board, and who shall be elected, one by and from each supreme court district at the time and in the manner that State officers are elected, and whose term of office shall be four years and until their successors shall qualify.

*Set
Repealed
1922*

Who eligible to become a bank examiner.

Sec. 3. Qualifications. No person shall be eligible to become a bank examiner who is not a qualified elector; thirty years of age; a practical accountant; who does not thoroughly understand the theory and practice of banking; who has been manager or otherwise in control of any banking institution or other business enterprise which has failed or liquidated its debts

*Repealed
by
1922*

below par during such management, or who has not secured a license to become a candidate for said office as hereinafter provided. No person while occupying the position of bank examiner shall be employed by or have any interest in any bank or banking business within the State, and any violation of this provision shall, ipso facto, make vacant the office.

Examiners to take oath of office and give \$25,000.00 bonds.

Each bank examiner shall, before entering upon the discharge of his duties, take and subscribe the oath of office prescribed by section 268 of the constitution of Mississippi, and file the same in the office of the secretary of state, and shall execute to the State of Mississippi a bond to be approved by the governor and filed with the secretary of state, in the penal sum of twenty-five thousand dollars, in some surety company authorized to do business in this State, conditioned for the faithful and impartial discharge of the duties of said office, and for the payment of any and all damages and costs that may be adjudged against him under the provisions of this act, and for the faithful and proper handling and accounting for all monies that come into his hands under the provisions of this act. 1922

Commission to examine credentials for bank examiner.

Sec. 4. Examining board of bank examiners. There shall be a board of bank commissioners, consisting of three members, for examining candidates for bank examiners, who shall be appointed within ten days after the passage of this act and every four years thereafter, as follows: One by the governor, who shall be a successful banker and business man; one by the attorney general, who shall be an experienced lawyer; and one by the auditor, who shall be an experienced accountant; all of whom shall be not less than thirty years old and qualified electors; and their terms of office shall be for four years, and until their successors shall qualify. Section Revised 1922

Vacancy in board; how filled.

If any vacancy shall occur in the board of bank commissioners, by reason of resignation or otherwise, it shall forthwith be filled by appointment by the officer appointing his predecessor.

When candidates to be examined.

The board of bank commissioners shall meet in the office of the banking department on the first Monday in March preceding the general election in November, then and there to hold an examination for candidates for bank examiners.

Applicants for examination to file notice and pay fee; candidate license issued.

Any person or persons upon giving written notice to the chairman of the board of bank commissioners and upon the payment of the sum of fifty dollars each to the State treasurer for the credit of the banking fund shall be given a special examination at which a license or licenses to become a candidate for election to the office of bank examiner may be granted as in regular

examinations, and said chairman shall call a meeting for the purpose of giving said special examination not later than thirty days after receipt of said notice and shall give the applicant or applicants due notice thereof.

Compensation of bank commissioners; how paid.

The members of the board of bank commissioners shall be allowed their actual expenses, and a per diem of five dollars while in the actual discharge of their duties, to be paid out of the banking fund in the same manner as the salaries and expenses of the members of the board of bank examiners.

1920

How examinations held; subjects for same; strict secrecy enjoined.

Sec. 5. Examination for licenses and vacancies, how filled. No person shall be eligible to hold the position of bank examiner, either by election or otherwise until he shall have been issued a license or certificate through competitive examination by the board of bank commissioners. Said bank commissioners shall hold a written examination in the office of the banking department on the subject of accounting, the theory and practice of banking and the banking laws of the State of Mississippi, and the federal banking laws. To each person who attains a grade of seventy-five per cent or more on said examination and who furnishes satisfactory evidence of good moral character, and of the possession of all the other qualifications set out in section 3 of this act, the said examining board shall issue a license to become a candidate for state bank examiner, which license shall be good and valid for four years and no longer. The said examinations, questions, answers and statements shall be filed of record in the banking department, and shall be open to the inspection of the public. A majority of the board of bank commissioners may perform all the duties required of said board by this act. Said examination questions shall be kept strictly secret until said examination is held and if any commissioner or employee of the banking department shall divulge or knowingly permit to become known to any person the said examination questions or any part thereof, he shall be deemed guilty of a misdemeanor and liable to a fine of not over five hundred dollars and upon conviction shall be removed from office. Any person who shall have knowledge of any part of the questions to be asked at any examination shall be ineligible to stand said examination or to hold the office of bank examiner under a license based on said examination.

Section
Repealed
1922

Examination papers graded; certificates issued on grades of 75 per cent and over.

The board of bank commissioners shall meet in the office of the banking department within fifteen days after the passage of this act, and organize, and within thirty days after the passage of this act, hold an examination for bank examiners and from among the applicants at said examination who attain a grade of seventy-five per cent or more and who furnish satisfactory evidence of good moral character and of the possession of all the other qualifications set out in section 3 of this act, the said board of bank commissioners shall declare the one applicant from each supreme court district receiving the highest grade per centum of the applicants from that district as the bank examiner from that district for the State of Mississippi and shall issue to each of such applicants so declared a certificate as bank examiner, which

certificate shall be good and valid until the first Monday in January, 1916, and until the successor of the holder thereof shall qualify, and which certificate shall be the authority for the holder thereof upon compliance with all the qualification requirements of this act, to enter at once upon the discharge of the duties of the office of state bank examiner.

Vacancies on board of examiners filled by competitive examination.

If a vacancy shall occur in the office of state bank examiner it shall be filled for the unexpired term by competitive examination in the same manner as heretofore provided in this section for the first state bank examiners under this act, and an examination for this purpose shall be held on the second Monday after such vacancy shall have occurred.

Examinations continued until sufficient number qualified.

If for any reason any regular or special examination is not held at the time provided in this act, or if at any regular or special examination a sufficient number of applicants fail to qualify for the office of bank examiner, then it shall be the duty of the board of bank commissioners to hold on every tenth day thereafter a special examination until the required number of applicants shall qualify.

Notice of special examinations; how given.

The board of bank commissioners shall give notice of all special examinations in at least three papers published in different sections of the district for which said examination is held.

Charges against examiners; hearings by commissioners; power of removal.

Sec. 6. Charges against examiner. Any bank, under such rules as the board of bank commissioners may prescribe, may at any time present charges against the bank examiner, and thereupon the said board shall have power and must examine into such charges and, if the said examiner, upon a hearing, shall be found to have violated any of the provisions of this act or shall be found for any reason to be unfit or disqualified to hold the office of bank examiner, he may, in the discretion of the board, be removed by it.

1922

May compel witnesses, and administer oaths.

For the purpose of any such investigation, any member of said board shall have the power to administer oaths and compel the attendance of witnesses and require the production of books and papers.

Removal and penalties.

The removal of the bank examiner shall not exempt him from any of the penalties herein prescribed.

Sec. 7. Salary bank examiner, expenses, office equipment, etc. The salary of each bank examiner shall be \$3,000.00 per year, and traveling expenses,

1922 examiner's salary with expense \$3600, to be fixed by superintendent [Supt. salary to be fixed by convention of the banks.]

1918 (\$3600)
1920 (\$5000)

including only railroad fare, livery hire and hotel bills, while engaged on official duty, payable monthly out of the banking department fund upon voucher, approved by the governor; and accompanying each voucher for expense there shall be an itemized statement of the same, together with receipts for amounts over one dollar.

Office equipment and supplies; how provided and paid for.

The banking department shall be supplied with all necessary office furniture, fixtures and equipment, which shall be purchased by the board of bank examiners and paid for out of the banking department fund, on voucher, approved by the chairman of the board of bank examiners. All necessary postage, stationery, expressage, books, telephone and telegraph messages, printing expenses and all premiums on bonds under this act, and all other office expenses of the banking department shall be allowed and paid for in the same manner as the office equipment and fixtures. All books, blank papers, and documents now in the custody of the State auditor, or in the office of any other State official or board connected with the matters embraced in this chapter shall upon request of the board of bank examiners, be delivered to the office of the banking department. 1922

Sec. 8. Seal; evidence. The banking department shall have a seal which shall be in the form of a circle with the image of an eagle with thirteen stars over the head, in the center and about the margin at the bottom, the words: "State of Mississippi"; and at the top, the words: "Banking Department".

Official documents and papers of board, admissible in evidence.

Every certificate and other official paper executed by the banking department under the authority of law, and sealed with said seal of this office, shall be received as evidence in all courts, investigations and proceedings authorized by law, and may be recorded in the same manner and with like effect as a deed and all copies of papers in the office of the said department certified by an examiner or assistant with said seal shall be accepted in all matters equally and with like effect as the original. 1922

Sec. 9. Office assistant. The board of bank examiners shall appoint an office assistant, who shall perform such duties as they may require, and who shall receive a salary of not more than \$1,800.00 annually, payable monthly out of the banking fund upon vouchers approved by the chairman of said board. 1920 1922

Board responsible for assistant; may discharge him.

The board of bank examiners shall be responsible for all the acts of said assistant and they may discharge said assistant at their pleasure.

Bond of assistant.

He shall execute the same bond as is required of a bank examiner.

Sec. 10. Duties: visit and inspect banks. It shall be the duty of the board of bank examiners to apportion the work among themselves of examining 1922

banks, in such a manner as that each bank, under the provisions of this act, shall be examined twice a year, and oftener if necessary, at irregular intervals and without prior notice, provided that no bank examiner shall examine any one bank twice in succession. If the board of bank examiners find it impossible to make the required number of examinations of any bank or banks they may apply to the board of bank commissioners for assistants not to exceed three, and upon receipt of such application, it shall be the duty of the board of bank commissioners to appoint such assistant or assistants from among those applicants who have received a grade of seventy-five per cent or more in any regular or special examination. If for any reason there shall be no eligible for such appointment, then the board of bank commissioners shall hold a special examination and select through such examination the required number of assistants in the same manner as provided in this act for filling vacancies, except that they may be chosen from the State at large. Each assistant shall possess all the qualifications of a bank examiner and shall have all the powers and the duties of the bank examiners in the examination of banks and before entering upon his duties he shall give the same bond as required of the bank examiner. The compensation of each assistant shall not exceed ten dollars per day, not to exceed one hundred and fifty dollars per month and traveling expenses, which expenses and three-fourths of said compensation shall be paid out of the fund of the banking department on voucher approved by the board of bank examiners accompanied by an itemized statement of expenses and receipts therefor for all amounts over one dollar and one-fourth shall be paid by the board of bank examiners out of their own funds. He shall be removable at the pleasure of the bank examiners and shall be employed in the service of the examination of banks at such times and places as the board of bank examiners may determine and he shall not be allowed compensation for any time when not in actual service of the department, and under the direction of the board of bank examiners.

The part of the act

1918
1920
(23000)
annual

Sec. 11. The same; to inspect books, accounts, etc. At such examination the examiner shall have the power and it is his duty, to examine the cash, bills, collaterals and securities, books of account, the condition and affairs of the bank, the mode of conducting and managing the affairs of the bank, the action of its directors and the investment of the funds of the bank. Said examiner shall have the power to examine the directors under oath as to the value of all collaterals, securities and other assets of the bank. Any officer of a bank refusing to the bank examiner any of the papers, securities, the books or cash of a bank, shall subject such bank to liquidation as hereinafter provided.

1922

Sec. 12. The same; summon witnesses; administer oaths. The examiner shall have the authority to issue subpoenas for witnesses and compel their attendance before him in any and all matters connected with the duties of his office, and for failure to attend or testify, witnesses may be fined by him for contempt.

1922

Sheriffs, etc., to execute process of board; penalty for failure.

Sheriffs, constables and marshals holding commissions in this State shall serve and be entitled to regular fees for serving said subpoenas and for failing to execute or return such process they shall be liable for the same penalties prescribed by law for failure to execute like process issued by the courts of this State.

Bank officials to be examined under oath; false swearing punished.

The bank examiner shall have the power to administer oaths, and shall have the authority to examine under oath the officers, agents, clerks, employes, owner or owners of any bank, or any other persons, touching the matters which he is by this act directed to examine into, and any person willfully making any false statement under oath in such examination shall be deemed guilty of perjury and upon conviction thereof punished accordingly.

Penalty for making false statements not under oath.

If any officer, agent, clerk or owner or owners of any bank, when not under oath, shall in any manner willfully misrepresent to any bank examiner the condition of the bank or purposely mislead or make false statements regarding the condition of said bank or any part of its business, said person shall be deemed guilty of a misdemeanor and upon conviction thereof in any court of competent jurisdiction such person shall be punished by a fine of one thousand dollars or imprisonment in the county jail not less than six months, or both fine and imprisonment.

Sec. 13. Stenographer may be used. The examiner in all cases, where the testimony of witnesses is to be preserved shall have the right to have the same taken down and transcribed by a stenographer, and a stenographer so employed shall be sworn by the examiner, and his or her certificate that the transcript of such evidence is correct, together with a certificate of the examiner that he has read the same and that it is, in his opinion, correct, shall entitle such transcript or a certified copy thereof to be received in evidence in any and all courts of this State and in all cases wherein such evidence is relevant, material and competent. 1922

Pay of stenographers employed by board.

Such stenographer shall be paid not more than \$10.00 per day in cases where no transcript of notes is made; if a transcript of the notes is made, there shall be allowed not more than ten cents per hundred words and no per diem; such stenographer to be paid out of the banking fund on voucher approved by the examiner employing such stenographer, accompanied with itemized statement of services rendered.

Sec. 14. Secrecy of examinations as to depositor's accounts, and as to debtors to the bank. The board of bank examiners shall keep as records of their office the proper books showing all acts, matters and things done by them under the provisions of this act. Neither they nor their assistant shall disclose to any person, official or otherwise, except when required in legal proceedings, any fact or information obtained in the course of the performance of their duties, except so far as this act makes it incumbent upon them to report to the board of bank examiners, or to make public records and publish same. 1922

Names of depositors not to be divulged except when required in legal proceedings.

In no instance shall the name of any depositor, or the amount of his deposit, be disclosed to any one, except when required to be done in legal

proceedings or in case of insolvency of bank, and any violation of this provision shall be considered a misdemeanor and, upon conviction thereof, in any court of competent jurisdiction, such person shall be punished by fine of one thousand dollars, or imprisoned in the county jail not less than six months, or both. And, in addition, thereto, shall be liable upon his bond to any person damaged thereby.

Sec. 15. The same; certain credits on examination prohibited. In all bank examinations herein provided for no bank shall be allowed credit for any obligation or security whereof the principal and interest shall be over twelve months past due; nor for any bond or other obligation upon which any interest may be in default for as much as twelve months; nor for any stock of its own held more than twelve months; nor for any unsecured over-drafts that may have existed for a greater period than three months next preceding it, and in making up the statement of the condition of such bank any such item shall be charged off, but if desired a note shall be appended giving the details thereof; provided the discretion of the bank examiner may be exercised in cases of estates in litigation or administration and in pending suits. Provided this section shall not take effect until twelve months after passage of this act. Provided the security affected thereby shall, in the opinion of the examiner making such examination be ample and sufficient.

Sec. 16. The same; special examinations. It shall be the duty of the chairman of the board of bank examiners, upon receipt of registered letter from the board of directors of any bank, under the provisions of this act, requesting him to give such bank a special examination, within ten days of the receipt of such notice, to designate one of the bank examiners to make such an examination for which the bank shall pay the said examiner a fee of one-half of the amount of its latest assessed tax under this act, which fee the examiner shall forthwith pay into the banking department.

Sec. 17. The same; when last public statement wrong. If upon the completion of any examination, an examiner shall find that the last public statement of the bank is materially wrong or that the condition of the bank has materially changed since the last public statement, he shall order the bank to publish a new statement based upon the findings of his examination and for the failure to promptly publish said statement, the bank shall be liable for a penalty of \$500.00, for which the board of bank examiners shall sue for the use of the banking department if not paid within ten days.

Sec. 18. The same; calls for reports of banks. Form of report. The bank examiners shall call upon each bank governed by the provisions of this act for the reports herein required. Such calls shall be made by the board of bank examiners for the same dates and as often as calls are issued by the comptroller of the currency of the United States for reports from national banks. The bank examiners shall prescribe the forms for such reports. Said reports shall be sworn to by either the owners, president, manager or cashier of the bank making them and attested by not less than two of the board of directors; and shall exhibit in detail, under appropriate heads, the total resources and total liabilities of the bank on the past day by the board of bank examiners specified, and said reports shall be transmitted by the bank to the board of bank examiners within ten days of the receipt of a written or telegraphic request therefor. The bank making such report shall cause an abstract of the same to be published according to forms prescribed by the board of bank examiners within fifteen days from receipt of call, in some

newspaper published in the city or town where such bank is situated, or, if no newspaper is published therein, then in some newspaper published at the county seat of the county in which such bank is situated. Proof of such publication shall be furnished by the bank to the board of bank examiners within ten days from the completion thereof. For any failure or delay in furnishing said report, publishing the same and supplying the proof thereof, the owners, president, manager or cashier of any such bank, so in default, and the members of the board of directors of said bank, refusing to attest said report shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of fifty dollars a day for each day while in such default.

Sec. 19. The same; charges for copies of bank reports. A copy of such report of any bank shall be furnished to any person or corporation requesting the same, for a fee of fifty cents, which fee shall be collected by the board of bank examiners of assistant furnishing said report, and shall be paid into the banking department fund.

1916
1922

Office assistant; penalty for violation of his duties.

If the office assistant of the banking department shall fail or refuse to furnish copies of said report when so requested and tendered the said fee, or if he shall fail to account for any such fees received by him, or if he shall demand or receive any larger fee than that herein prescribed, or if any other person than a bank examiner or assistant shall furnish any copy of such bank report, whether for a consideration or not to anyone, he shall be guilty of a misdemeanor and shall be fined not less than ten dollars or be imprisoned not more than one month or both.

Sec. 20. The same; when capital stock impaired or lawful reserve not maintained. If from the examination or from any report made by a bank governed by the provisions of this act it appears that the capital of said bank is reduced by impairment or otherwise or that its cash reserve is below the requirements of law, it shall be the duty of the board of examiners to require such bank to make good the deficiency within thirty days.

1922
(substantive revision)

Sec. 21. The same. When to liquidate. If any bank examiner from any examination or any report rendered under this act shall be of the opinion that any bank is insolvent or that its condition is such that a further continuance of its business is hazardous to its creditors, depositors or the public, or that the bank has failed to comply with any of the rules, conditions or restrictions provided by law, he shall forthwith call a meeting of the board of bank examiners at such time and place as he may designate, and report the facts to said meeting.

*1922 - 21
Suggest that may liquidate bank for other reasons. If thinks bank unable to meet obligations in ordinary course of business*

1922

Sec. 22. The same. To liquidate. If the board of bank examiners find that any bank is attempting to do business with less than the minimum capital required by law or without having its full capital paid in, or that any bank is insolvent; or that any bank has for any reason failed, or if the holders of two-thirds of the stock of any bank shall vote to liquidate or dissolve it, then it shall be the duty of the board of bank examiners to forthwith liquidate the same as hereinafter provided.

1922

Banks penalized for failure to comply with orders of examiners.

If the board of bank examiners find that any bank has made a payment of dividends contrary to law, or made any charges against the surplus account contrary to law, or suffered its capital to remain impaired after thirty days' notice, or allowed its reserve fund to remain below the legal minimum after thirty days' notice, or for persistently allowing its reserve fund to become below the legal limit, or for persistent violation of any of the other provisions of law, then the board of bank examiners may, by majority vote, instruct the proper examiner to proceed to liquidate such bank according to the provisions of this act and it shall be the duty of such examiner to so proceed. Any bank violating any of the provisions set out in this section is liable to liquidation.

Banks assessed for maintenance of bank department.

Sec. 23. Assessments. Each bank subject to the provisions of this act is hereby assessed for each year one-fortieth of one per cent of its total assets, and the money accruing from said assessment shall be used for the maintenance of the banking department. *1916 mention \$30; in 1926, \$60*

1916
1922
1926

Sec. 24. Assessment, and expenses. As soon as practicable after their appointment the board of bank examiners shall meet and prepare a statement based upon the total assets of each bank shown by its last report to the State auditor, of the assessments due by each bank under their supervision. They shall send to each bank a statement of the assessment due by it, which amount shall be due and payable upon receipt of notice and shall be paid not later than ten days after receipt of said notice. Any bank failing to make payment within ^{said} ten days shall be liable to pay damages to the extent of 10 per cent of the amount of its assessment for each day of delay.

1922

Payment of assessments, fees and penalties; where and to whom made.

All assessments, penalties and fees provided in this act shall be paid at Jackson to the board of bank examiners. All assessments, fees and penalties collected under the provisions of this act shall, immediately upon receipt thereof, be delivered to the State treasurer to be placed to the credit of the banking department. Each bank examiner shall give a receipt made in duplicate for all monies received by him and shall take a receipt from the State treasurer for all money delivered by the examiner to the treasurer.

Board to ascertain and fix amount of assessments annually.

The office assistant shall have the powers and the duties of a bank examiner in regard to receiving, accounting for and delivering to the State treasurer all assessments, fees and penalties collected under this act. The board of bank examiners shall meet on the first Monday in January, 1915, and on the same day each subsequent year and ascertain the amount with which each bank subject to the provisions of this act shall be assessed during the current year, and they shall take as a basis for their calculations the last statement prior to said date made to them by the banks of this State and shall proceed to collect said assessment in the same manner as hereinbefore set out.

Sec. 25. The same; meeting of the board of bank examiners. The members of the board of bank examiners shall hold a regular meeting in the office of the banking department on the first Monday in January, April, July and October of each year, and at such other times as the chairman of said board shall deem it necessary to issue a call therefor.

*Section
Repealed
1922*

Sec. 26. How money paid out. All monies paid out of the banking department fund shall be paid by the treasurer upon warrants issued by the State auditor, which warrants said be issued by the said auditor upon voucher approved by the proper examiner except in payment of bank examiner's salaries and bank commissioner's per diem and expense and warrants shall be issued by the State auditor therefor, upon voucher approved by the governor.

1922

Sec. 27. Defining what shall constitute a bank. Any corporation (except national banks and postal savings banks) having a place of business within this State, where credits are opened by the deposit or collection of money or currency or negotiable paper subject to be paid or remitted upon draft, receipt, check or order, or sale of drafts or exchange drawn on local or foreign banks, shall be regarded as a bank or banker, and as doing a banking business under the provisions of this act.

All concerns doing banking business must incorporate; how section shall apply.

Any person or firm now engaged in the banking business as described in this section shall incorporate within six months after this act goes into effect. This section shall not apply except when such corporations keep the actual money on deposit or solicit outside deposits, but any person or association of persons now engaged in the banking business in this State shall be subject to all the provisions of this act until such person, persons or associations of persons shall be or become incorporated as provided in this section.

Sec. 28. Organization of banks. Three or more persons of full age, and of good moral and safe business character may organize themselves into a banking corporation. Banking corporations may be formed under the general laws of the State, for the purpose of conducting and carrying on a banking business, and to establish offices of loan and deposit to be known as a savings bank, or to establish banks having departments for both classes of business upon the terms and conditions and subject to the liabilities prescribed in this act.

*1915
(minor
change)
1922*

Number of directors; charter to be filed.

No banking corporation shall have less than three directors and every banking corporation, before it transacts any banking business, shall file with the board of bank examiners certified copy of its articles of incorporation.

Amount of capital stock required for a banking corporation.

It shall be unlawful for any corporation, except as hereinafter provided, to transact a banking business unless such corporation has capital

stock as follows: In cities, villages and communities having a population of one thousand or less ten thousand dollars; in cities and towns having a population of one thousand and not more than twenty-five hundred fifteen thousand dollars; in cities and towns having a population of twenty-five hundred and not more than six thousand, twenty-five thousand dollars; in cities having a population of six thousand to ten thousand, thirty-five thousand dollars; in cities having a population of ten thousand or more, fifty thousand dollars; provided this schedule of capital stock shall not apply to banks now in operation in this State. Such capital shall be in money, commercial paper, bank furniture, fixtures, or the necessary bank building, including the lot or lots on which the building is situated, which said lot or lots shall be unincumbered.

Sec. 29. Penalty for use of word "bank", etc. No corporation, except a national bank or postal savings bank shall carry on a banking business, except in compliance with this act. No corporation shall use either or any of the terms "bank," "banker," "bankers," "banking house" or "trust company," unless it shall have first fully complied with all the provisions of this act.

Penalty for violations of this section.

Any corporation violating any of the provisions of this section, after thirty days' notice given by the board of bank examiners, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than twenty dollars and not more than one hundred dollars for each day during which such violation shall continue after the expiration of said period of thirty days.

Sec. 30. Articles of incorporation. The persons associating shall execute article of incorporation, which shall specify:

First. The name assumed by such bank which shall be in no material respect, similar to the name of any other bank organized under the laws of this State.

Second. The county, and city, town or village where such bank is to be located and to conduct its business.

Third. The nature of its business, whether that of a commercial bank, savings bank, trust company or any combination thereof.

Fourth. The amount of the capital stock, which shall be divided into shares of fifty or one hundred dollars each.

Fifth. The names and places of residence of the stockholders, and the number of shares held by each of them.

Sixth. The period for which the bank is organized which shall not exceed fifty years.

Such articles of incorporation shall be acknowledged before any officer authorized by the laws of this State to take and certify acknowledgements.

Articles of incorporation executed in triplicate.

Such articles of incorporation shall be executed in triplicate, one of which shall be recorded in the office of the chancery clerk for the county in which the bank is located, and one filed in the office of the board of bank examiners and one filed in the office of the secretary of state. Such articles of incorporation, or copies thereof, duly certified by either of said officers, may be used as evidence in all courts for and against such bank.

1922
1926

Sec. 31. Regulations with reference to payment of capital stock. All of the capital stock of every corporation engaged in the banking business shall be paid up in money before such corporation shall be authorized to commence such business.

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1924

Newly organized bank must be examined before beginning business.

When any bank hereafter organized or formed shall notify the board of bank examiners that its capital stock has been paid up, the board of bank examiners shall designate one of its members to make an examination of the bank immediately and, if it is found that the capital stock has been paid up and if it is found that said bank has complied with the requirements of this act, and is entitled to commence business, the examiner so designated shall give to such bank a certificate under his hand and the official seal of the banking department, that it has complied with all of the provisions of the law and is duly authorized to transact a banking business. No bank shall transact any business except such as is necessarily preliminary to its organization, until it has been authorized by the board of bank examiners to commence the business of banking.

Fee for such special examination.

The assessment for such special examination shall be one-tenth of one per cent of the capital stock of the bank being examined, and such assessment shall be due and payable immediately upon the completion of such examination for which the bank examiner shall give a receipt therefor in duplicate and pay the same to the State treasurer to be placed to the credit of the banking department.

Sec. 32. Amendment of charter. Any bank desiring to renew or amend its charter may do so by proceeding in the manner provided by law for the amendment of charters; provided, that upon making application, for such amendment a certificate from a bank examiner, showing the condition of the bank so applying at the time such application is made is accompanied therewith and the assessment for said special examination shall be the same as would be due for any regular examination.

1922

Benefits of guarantee fund; how banks may become "guaranteed banks."

Sec. 33. Any bank doing business in this State under the general banking laws of Mississippi and any bank subject to the provisions of this act which may after the passage of this act be authorized to do business in this State, is hereby authorized and empowered to participate in the assessments

1922

Section suspended
1933

and benefits and to be governed by the regulations of the bank depositors' guarantee fund of the State of Mississippi hereinafter provided for. Before any bank shall become a guaranteed bank within the meaning of this act a resolution of its board of directors, authorized by its stockholders, duly certified by its president and secretary, asking therefor, in form to be provided by the board of bank examiners shall be filed with said board; who shall upon the filing of such resolution, authorize one of the examiners to make a rigid examination of the affairs of such bank, and if it is found to be solvent, to be properly managed and conducting its business in strict accordance with the banking law, such examiner shall after the bank shall have deposited with the State treasurer bonds or money hereinafter provided issue to such bank a certificate stating in substance that said bank has complied with the provisions of this act, and that its depositors are guaranteed by the bank depositors' guaranty fund of the State of Mississippi, as herein provided.

Deposit guarantees; securities to be deposited with State treasurer; kind and amount of same.

Sec. 34. Before receiving such certificate from any bank examiner each bank entitled to the same according to section 33 of this act, shall as evidence of good faith deposit and shall at all times maintain with the State treasurer (subject to the order of the board of bank examiners when countersigned by the auditor of State) United States bonds, Mississippi State bonds, the bonds of any levee district, or the bonds of any county, township, or municipal bonds within the State of Mississippi, to the amount of \$500.00 (five hundred dollars) for every \$100,000.00 or fraction thereof of its average deposits eligible to guaranty (less its capital and surplus) as shown by its last four published statements, provided that each bank shall so deposit not less than \$500.00 and the State treasurer shall issue his receipt therefor in triplicate, one to the bank, one to the auditor of State and one to the board of bank examiners. Such bonds only shall be accepted as shall bear the certificate of the attorney general of the State of Mississippi, stating that in his opinion said bonds have been legally issued. Said bonds, or cash in lieu thereof, shall not be charged out of the assets of the bank, except as hereinafter provided, but shall be carried in its assets under a heading "guaranty fund with State treasurer," until such time as said bank shall default in payment of assessments herein provided for. In lieu of bonds the bank at its option, may deposit money which deposit shall be exchangeable for acceptable bonds when the bank elects to make the substitution. In addition to above, each bank shall pay in cash an amount equal to one-twentieth of one per cent of its average deposits eligible to guaranty, less its capital and surplus, and the same shall be credited to the bank depositors' guaranty fund with the State treasurer subject to the order of the board of bank examiners and the State treasurer shall issue his receipt therefor in triplicate, one to the bank, one to the auditor of State, and one to the board of bank examiners; provided that the minimum assessment to be required from any bank shall be \$20.00. The last above mentioned assessment, however, shall not be required of new banks formed by the reorganization or consolidation of banks which have previously complied with the terms of this act. Upon the deposit and acceptance of such bonds (or money) and the payment of said assessment, then payment of such deposits of said bank as are specified in this act, shall be guaranteed as herein provided and the bank entitled to its certificate. The fund provided for

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in section 33 and section 34 of this act shall be for the purpose of paying at once, and under the direction and control of the board of bank examiners of the depositors of banks that are declared insolvent by the board of bank examiners or banks that shall fail. Said payments to be made in the manner provided by the said board of bank examiners. All payments made to the depositors of banks under the provisions of this act shall be repaid out of the assets of any bank whose depositors are paid out of this fund, and shall be a first lien on said assets.

Assessments for guarantee fund; when to cease; fund to be maintained unimpaired.

Sec. 35. The board of bank examiners shall, during the month of January of each year, make assessments of one-twentieth of one per cent of the average guaranteed deposits, less capital and surplus, of each bank (the minimum assessment in any case to be \$20.00) until the cash fund accumulated and placed to the credit of the bank depositors' guaranty fund shall be approximately \$500,000.00 over and above the cash deposited in lieu of bonds, when said board shall discontinue such assessment. Should such fund become depleted, the board of bank examiners shall make such additional assessment from time to time as may become necessary to maintain the same; provided, that not more than five such assessments of one-twentieth of one per cent each shall be made in any one calendar year. The treasurer of the State of Mississippi shall hold this fund in the State depository banks as provided by law governing other State funds, subject to the order of the board of bank examiners, to be countersigned by the auditor of State, for the payment of depositors of failed guaranteed banks as hereinafter provided. The State treasurer shall credit this fund quarterly with its proportionate share of interest received from State funds computed at the minimum rate of interest provided by law, upon the average daily balance of said fund.

Insolvent bank; how to be dealt with; payment of creditors; notice published and proof of claims made.

Sec. 36. When any bank shall be found to be insolvent by the bank examiner, he shall take charge of such bank as provided by law and proceed to wind up its affairs; and he shall at the earliest possible moment issue to each depositor a certificate upon proof of claim, bearing 6 per cent interest per annum, upon which dividends shall be entered when paid, except where a contract rate exists on the deposit, in which case the certificate shall bear interest at the contract rate. Notice of the amount of each dividend to be paid creditors and the date when such payment is to be made shall be published in two consecutive issues of a paper of general circulation in a county or city in which said failed bank is located and a corresponding notice placed on the door of the examiner's office and interest shall cease on each dividend on the day named in such notice. The bank examiner shall likewise publish a notice of the date upon which he will make payment of any balance due on such proof of claim, and interest shall cease on the day so advertised and said proof of claim shall so state. After the officer in charge of the bank shall have realized upon the assets of such bank, and exhausted the double liability of its stockholders, and shall have paid all funds so collected in dividends to the creditors, he shall certify all balances due on guaranteed deposits (if any exist) to the board of bank

*deleted 1916
2 1916 assets
appropriated*

*1916
1918
1922
1930*

*47 in
1926*

*1922
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1924

*922 News per added at beginning Sect. 36. permits supt. to take a dead bank
* assume all liabilities*

examiners, who shall then upon his approval of such certificates, draw checks upon the State treasurer, to be counter-signed by the auditor of state, payable out of the bank depositors' guaranty fund in favor of each depositor for the balance due on such proof of claim as hereinafter provided. If at any time the available funds in the bank depositors' guaranty fund shall not be sufficient to pay all guaranteed deposits of any failed bank, the five assessments herein provided for having been made, the board of bank examiners shall pay depositors pro rata, and the remainder shall be paid when the next assessment is available; provided, however, that whenever the board of bank examiners shall have paid any dividend to the depositors of any failed bank out of the bank depositors' guaranty fund, then all claims and rights of action of such depositors so paid shall revert to the board of bank examiners for the benefit of said bank depositors' guaranty fund, until such fund shall have been fully reimbursed for payments made on account of such failed bank, with interest thereon at three per cent per annum.

4 percent in 1926

Banks failing to remit assessments penalized; its securities may be sold to pay same.

Sec. 37. A penalty of fifty per cent of the amount of said assessment shall be added to the assessment of any bank not remitting as aforesaid within thirty days after receipt of notice of such assessment from the board of bank examiners, and if any bank which shall have been assessed and notified as aforesaid shall fail to remit the amount of said assessment as herein provided, a sufficient amount of its bonds (together with the unexpired coupons) shall be immediately sold by the board of bank examiners at public sale and the proceeds used to pay said assessment. Any balance remaining from the proceeds of such sale after the payment of such assessment shall remain to the credit of the bank in the depositors' guaranty fund. The said balance, together with the remainder of the bonds (or cash in lieu thereof) shall be forfeited to the bank depositors' guaranty fund if the bank does not, within sixty days from default in payment of such assessment, remit the full amount of such assessments and penalty to date and restore the amount of its bonds, or money pledged as evidence of good faith. Upon the bank's failure to remit its assessments according to the terms of this act a bank examiner selected by the board of bank examiners shall immediately examine such bank, and if it is found, in his judgment, to be insolvent, he shall take charge of and liquidate said bank according to law. If said bank be found solvent, an additional penalty of fifty dollars shall be added for each day thereafter such bank is so in default.

1922

What deposits are subject to guarantee; amount of same certified.

Sec. 38. All deposits not otherwise secured shall be guaranteed by this act. The guaranty as provided for in this act shall not apply to a bank's obligation as indorser upon bills rediscounted, nor to bills payable, nor to money borrowed from its correspondents or others, nor to deposits bearing a greater rate of interest than four per cent per annum. Each guaranteed bank shall certify under oath to the board of bank examiners at the date of each called statement the amount of money it has on deposit not eligible to guaranty under the provisions of this act, and in assessing such bank this amount shall be deducted from the total deposits.

*1916
1922
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Deposits bearing interest; record kept of same; uniform rates of interest to be maintained; penalty for claiming deposits guaranteed in violation of this act.

Sec. 39. Each guaranteed bank, and each State or private bank not guaranteed by this act, shall keep a correct record of the interest rate and terms of each deposit on which it has paid or agreed to pay interest, and shall make a statement thereof under oath to the board of bank examiners quarterly. Any officer of any guaranteed bank who shall pay interest on different terms or in excess of a rate (which rate shall be uniform within each county) that shall be approved by the board of bank examiners from time to time on any form of deposits, or pay any interest on any savings deposit withdrawn before July 1st, or January 1st next following the date of deposit, or on any time certificate cashed before maturity shall be deemed to be reckless and may be removed from office as provided by law; provided, however, that any existing contract for higher rates of interest entered into before the taking effect of this section, may be carried out unimpaired, and such existing contract shall not subject banks to the provisions herein provided. Any managing officer of any bank guaranteed under this act, or any person acting in its behalf or for its benefits, who shall hereafter pay or promise to pay to any depositor either directly or indirectly, any rate of interest on different terms or in excess of or in addition to the maximum rate of interest permitted by this act, or who shall, with intent to evade any of the provisions of this act, pledge the time certificate or other obligation of such bank as security for the personal obligation of himself or any other person, or who shall display any card or other advertising tending to convey the impression that the deposits of the bank are guaranteed by the State of Mississippi, either directly or indirectly, shall be deemed guilty of a misdemeanor, and on conviction be punished by a fine of not more than \$1,000.00 nor less than \$500.00. Any managing officer of any bank, or any person acting in its behalf or for its benefit who shall display any card or advertisement or make any statement to the effect that its deposits are guaranteed by the bank depositors' fund of the State of Mississippi, when the bank is not authorized to do so under the provisions of this act, shall be guilty of a misdemeanor, and upon conviction thereof shall be subject to a fine of not less than five hundred dollars nor more than one thousand dollars.

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Securities returned when bank retires from business.

Sec. 40. A solvent guaranteed bank, upon retiring from business and liquidating its affairs, shall be entitled to receive from the State treasurer its bond or money pledged, after all depositors in such bank and all assessments on account of the guaranteed banks in liquidation have been paid in full, but not any part of any unused assessments that may be in the bank depositors' guaranty fund.

Cash or bonds in lieu of securities.

Sec. 41. Banks may be permitted, in the discretion of the board of bank examiners to exchange their bonds for others acceptable under this act, or be allowed to deposit in lieu thereof an equal amount of cash, which may in turn be withdrawn upon the substitution of bonds acceptable under this act.

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Securities in guarantee fund to be kept separate from other funds.

Sec. 42. All bonds, and moneys deposited in lieu of bonds, placed in the State treasury under this act shall be kept in said treasury separate from all other bonds and moneys and to the credit of the bond account of the bank depositors' guaranty fund, and shall be used for no other purpose. The State treasurer shall cause the coupons upon said bonds to be cut thirty days before maturity and sent or delivered to the bank which deposited them; provided, always, that said bank shall have paid all assessments in full to date.

Limitation on amount of deposits received by guaranteed banks.

Section 43.
It shall be unlawful for any bank guaranteed under the provisions of this act to receive deposits continuously for six months in excess of ten times its paid-up capital and surplus, except savings banks, and any banks violating this section shall be deemed guilty of a misdemeanor and upon conviction punished by a fine of not less than \$500.00 nor more than \$1,000.00.

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Forms and reports preserved by bank examiners; forms and record books provided.

Sec. 44. For the purpose of carrying into effect the provisions of this act relating to the guarantee of bank deposits, the board of bank examiners shall provide that the necessary forms and all reports received by the bank examiners shall be preserved by them in their offices; and the State treasurer is authorized to provide forms and record books for his office, and such forms and record books shall be paid for upon order of the board of bank examiners out of the guaranty fund.

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How conflicting acts to be construed.

Sec. 45. All acts and parts of acts in conflict with this act are hereby repealed in so far as they so conflict, but no provision of any banking law or other statute of this State shall be construed to be amended, modified or repealed except in so far as necessary to permit the unrestricted operation of this act as applied to banks participating in the privileges of this act.

When guarantee of deposits to begin; sworn statement of condition filed; penalty for failure of prompt compliance.

Sec. 45. (a). On and after May 15th, 1915, each and every bank organized and existing under the laws of this State shall guarantee its deposits under the provisions of this act relating to the guarantee of bank deposits, and such banks shall not be required to be examined for license or certificate to participate in the guaranty fund, provided they shall have been examined twice already and found to be solvent, and provided, that within five days after May 15th, 1915, each and every bank in the State of Mississippi which shall not then be operating under the provisions hereof relative to the guarantee of deposits shall file with the board of bank examiners a sworn statement of its condition on May 15, 1915, in form to be prescribed by said board, and any such bank failing to comply with the provisions of this section providing for the guarantee of bank deposits shall be subjected to the same penalty heretofore provided for failure to pay any and all assessments for the purpose of creating a depositors' guaranty fund, and any

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officer of any bank making affidavit to the statement hereinbefore required who shall make therein any false and misleading statement, shall be guilty of a felony and, upon conviction thereof, be punished as for perjury.

How banks may participate after guarantee fund becomes operative.

Sec. 46. For the purpose of providing for the guarantee of its deposits, it shall be the duty of every bank organized and existing under the laws of this State which shall not theretofore have elected to guarantee its deposits under the provisions of this act relating to the guarantee of bank deposits and which shall not have been examined twice during the twelve preceding months, to make within fifteen days after May 15th, 1915, application to the board of bank examiners for license to participate in the assessments and benefits and to be governed by the regulations of the bank depositors' guaranty fund of the State of Mississippi. Each such bank shall, by a resolution of its board of directors, duly certified by its president and secretary, in form to be provided by the board of bank examiners, and filed with such board of bank examiners, request admission to participate in such assessments and benefits, and, upon the filing of such resolution the board of examiners shall, as soon as possible, authorize one of the examiners to make a rigid examination of the affairs of such bank, and if it is found to be solvent, to be properly managed and conducting its business in strict accordance with the banking law, such examiner shall, after the bank shall have deposited with the State treasurer bonds or money, as hereinbefore provided to be deposited by the bank electing to come under the provisions of the bank depositors' guaranty fund, issue to such bank a certificate stating in substance that said bank has complied with the provisions of this act, and that its depositors are guaranteed by the bank depositors' guaranty fund of the State of Mississippi, as hereinbefore provided. Each bank coming under the provisions of this act after the 15th day of May, 1915, shall be subject to the same requirements, liabilities and conditions and entitled to the same privileges and benefits as hereinbefore provided for banks electing to come under the provisions of this act prior to said date. Any bank in the State of Mississippi which shall fail, neglect or refuse to comply with the provisions of this act within fifteen days after the 15th day of May, 1915, providing for the guarantee of bank deposits, or which shall neglect, fail or refuse to comply with the reasonable demands of the board of bank examiners shall be subjected to the same penalty heretofore provided for failure to pay any and all assessments for the purpose of creating a depositors' guarantee fund.

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Sec. 47. Bank stock not accepted as collateral. The shares of stock of banks shall be deemed personal property, and shall be transferred on the books of the bank in such manner as the by-laws thereof shall direct, and as by law required. But no such bank shall accept as collateral, or be the purchaser of its own capital stock, except in cases where the taking of such collateral or such purchase, shall be necessary to prevent loss upon a debt previously contracted in good faith, and in such cases, unless full payment of such debt is made, such stock shall be sold by the bank within twelve months from the time it was acquired.

Sec. 48. Record kept of names of stockholders, transfers of stock and fixing liabilities of stockholders selling stock. A book shall be provided and kept by every bank, in which shall be entered the names and residences of the stockholders thereof, the number of shares held by each, the time

when such person became a stockholder, and also all transfers of stock, stating the time when made, the number of shares and by whom transferred.

Liability when stockholder transfers stock from one bank to another.

In all actions, suits and proceedings, said bank shall be prima facie evidence of the facts therein stated. The liability of any stockholder in a bank upon transferring his stock in such bank to another shall not cease until the next regular or special examination of said bank following the date of transfer of said stock and not then unless such examination shows the bank to be solvent; but the purchaser's liability shall begin after the next ensuing examination showing the bank to be solvent.

Sec. 49. Conditions upon which real estate may be held. Any corporation doing a banking business in this State may purchase, hold and convey real estate for the following purposes and no others: (1) Such real estate as shall be held necessary in which to transact the business of any such bank, including with its banking offices, other premises in the same building to rent as a source of income, but shall not exceed in cost to such bank thirty per cent of its paid in capital, surplus and undivided profits; provided that banks in cities of more than 6,000 population may invest not more than fifty per cent, by and with the consent of the board of bank examiners. (2) Such real estate as shall be purchased by or conveyed to such bank in satisfaction of or on account of debts previously contracted in the course of its business. (3). Such real estate as it shall purchase at sale under judgments, decrees, or mortgages, or deed of trust, foreclosure under securities held by it or under any security or lien which is a superior lien to that held by said bank. 1922

When real estate acquired under this section to be sold.

Any real estate heretofore acquired for any other purpose than as specified in subdivision "1" of this section in any manner or form shall be sold within five years from the time this act takes effect, and any real estate acquired as provided in said subdivisions "2" and "3" after this act takes effect shall be sold within five years after the title thereto is acquired. If any such real estate is not sold within the time herein limited, it shall not thereafter be carried as an asset of the bank.

Sec. 50. Qualifications and duties of directors. Every director of every bank must be the owner, in his own right, of unimcumbered stock therein to the amount of at least two hundred dollars par value. He shall take and subscribe an oath that he will faithfully and diligently perform the duties of his office and will not knowingly violate or permit to be violated any provisions of this act. The said oath shall be immediately transmitted to the board of bank examiners and filed in their office. Every executive and managing agent of every bank doing business in this State shall subscribe to a similar oath and immediately transmit the same to the board of bank examiners. A majority of an executive board or auditing committee selected by a majority of the board of directors or of the board of directors of every corporation doing a banking business in this State shall meet at least once every three months, and shall at such times examine the loans, paper and securities of the bank and its liabilities and resources of every kind. A statement showing the results of such examination shall be spread upon the records of the directors' meeting, and shall be subscribed to by each of said directors present at any such meeting. 1922

Sec. 51. Dividends to be declared. Any bank may declare a dividend of so much of the net profits of the bank, after providing for all expenses, interest and taxes accrued or due from such bank as shall be deemed just and expedient; but, before any such dividend is declared, not less than one tenth of the net profits of the bank for the preceding half year, or for such period as is covered by the dividend shall be carried to a surplus until such surplus shall amount to twenty per cent of its paid capital. No charges shall be made against such surplus for any purpose other than that necessary to provide for losses until such surplus shall equal twenty per cent of the paid capital, provided, however, that said charges against said surplus fund shall be made only when the undivided profits are insufficient to cover said losses.

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Sec. 52. Penalty for receiving deposits when insolvent. The owners or officers or employes of any bank or branch bank who shall receive any deposit knowing that such bank or branch bank is insolvent shall be deemed guilty of felony and punished, upon conviction therefor, by a fine not exceeding one thousand dollars, or imprisonment in the State penitentiary not exceeding two years, nor less than one year or by both such fine and imprisonment, at the discretion of the court, for such offense. 1918

Sec. 53. Deposits of minors. When any minor or other person under disability shall make a deposit in any bank in his or her name, such bank may pay such money on a check or order of such person, the same as in other cases, and such payment shall be in all respects valid in law.

When a deposit has been made or shall hereafter be made in the name of two persons, payable to either, or payable to either or the survivor, such deposit or any part thereof or interest or dividends thereon, may be paid to either of the said persons whether the other be living or not, and the receipt or acquittance of the person so paid shall be valid and sufficient release and discharge to the bank for any payment so made. Any bank may pay to the nearest relative of a deceased depositor, without necessity of administration, any sum to the credit of decedent not exceeding three hundred dollars. This section shall apply to all banking institutions, including national banks and postal savings banks within the State.

Sec. 54. Liability of persons, firms and corporations to banks. The total liability to a bank by a person, company, corporation or firm for money loaned including in the liabilities of a firm or company the liabilities of the several members thereof, shall not exceed twenty-five per cent of the aggregate paid in capital and surplus of said bank. The discount of bills of exchange drawn in good faith, against actual existing values of loans made on time secured by warehouse receipts or bills of lading, or actually existing values, shall not be restricted to, or considered as coming within such limitations of twenty-five per cent; provided, that said loans shall not exceed ninety per cent of the actual value of commodities represented by said warehouse receipts, or actually existing values, but the discount of commercial or business paper, actually owned by a person, or firm negotiating shall not be construed as money borrowed or considered as coming with said limitation of twenty-five per cent. Any officer or director who shall allow in such cases loans prohibited in this section shall be liable individually therefor.

Sec. 55. Certifying to checks. No owner, officer, clerk or employe of any bank shall certify to a check unless the amount thereof actually stands to the credit of the drawer on the books of the bank, and any person who shall willfully violate this provision shall on conviction thereof, be deemed guilty of a misdemeanor and be punished by a fine not exceeding one thousand dollars. The amount of any check certified shall be at once charged to the drawers account and credited to certified checks account, there to remain until said check is retired. Any such check so certified by a duly authorized person shall be a good and valid obligation of the bank in the hands of the holder.

Sec. 56. How officers and employes may borrow money from such banks. No officer, owner or employe of any bank in this State shall be permitted to borrow any of the funds of the bank upon his own note or obligation whether secured or not without first having obtained the approval of a majority of the board of directors of the bank, or of an executive board of discounting committee selected by a majority of the board of directors; such selection to be recorded in the minutes and the approval of the loan, if obtained, shall be made a part of the records of the bank. And if the directors of any bank shall knowingly permit any of the officers, directors or employes of such bank to borrow the funds of such bank in an excessive or dishonest manner, or in a manner incurring great risk or loss to such bank, every director who participated in or assented to the same shall be held liable in his personal and individual capacity for all damages which the corporation, its stockholders, or any other person shall have sustained in consequence thereof. No bank examiner shall be permitted to borrow money or effect any loan directly or indirectly of any bank to which this law applies. ✓

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Sec. 57. Cash reserves. Every bank doing business under this act in cities or towns having a population of less than fifty thousand inhabitants shall have on hand at all times in actual cash, or balances due from good solvent banks, not less than fifteen per cent of its demand deposits and seven per cent of its time and savings deposits. Every bank doing business under this act in cities having a population exceeding fifty thousand inhabitants, shall have on hand at all times in actual cash, or balances due from good solvent banks not less than twenty-five per cent of its demand deposits and ten per cent of its time and savings deposits.

Sec. 58. Reports to legislature. The board of bank examiners shall make a full report as required by law of other State officers to the legislature at each biennial session thereof, of the proceedings in and work of the banking department, and of all charters issued and corporations liquidated or dissolved through its agency, and shall submit such recommendations with reference to said department as they may consider appropriate, which report shall, also, show fully and in detail, separately the work done and the expenses incurred by such examiner.

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Sec. 59. Liability of stockholders. The stockholders of every bank shall be individually liable, actually and ratably, and not for one another, for the benefit of the depositors in said bank to the amount of their stock at the par value thereof, in addition to the said stock; but persons holding stock as executors, administrators, guardians, or trustees, and persons holding stock as collateral security, shall not be personally liable as

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stockholders, but the assets and funds in their hands constituting the trust shall be liable to the same extent as the testator, intestate, ward or person interested in such trust fund would be, if living or competent to act; and the person pledging such stock shall be deemed the stockholder and liable under this section. Such liability may be enforced in a suit at law or in equity by any such bank in process of liquidation, or by any receiver, or other officer succeeding to the legal rights of said bank. *1916 amendment adds paragraph.*

Procedure in case of liquidation; banks may enjoin action of examiners; claims against bank to be presented; action on same; duties of examiners upon taking possession of bank property; disposition of assets; payment of dividends to depositors; residue of assets turned over to stockholders; unclaimed deposits conflicting claims.

Sec. 60. Liquidation. Whenever any corporation doing a banking business ¹⁹² of whose property and business the bank examiner has taken possession as aforesaid deems itself aggrieved thereby, it may at any time within ten days after taking such possession, apply to the chancery court or chancellor in vacation or other court of like jurisdiction in the county where the principal office of such bank is located to enjoin further proceedings by the bank examiner and the court, or chancellor in vacation, after citing the bank examiner to show cause why further proceedings should not be enjoined and hearing the allegations and proofs of the parties and determining the facts, may upon the merits dismiss such application and require the bank examiner to give an additional bond commensurate with the assets of the bank making such application or enjoin the bank examiner from further proceedings and direct him to surrender such business and property to such corporation; and any such application for injunction may be heard at any time after one day's notice from the time of service on the bank examiner, in the discretion of the court. The bank examiner may, under his hand and official seal of the banking department, appoint an agent to assist him in the duty of liquidation and distribution of the assets of any bank taken possession of by him under the provisions hereof, the certificate of appointment to be filed in the office of the board of bank examiners and a certified copy in the office of the chancery clerk in the county in which the principal office of such bank was located, and such special agent shall receive a salary not exceeding \$200.00 per month for the time he is actually engaged in assisting and liquidating the affairs of the bank. The bank examiner may authorize such agent to perform such other duties connected with such liquidation and distribution as the bank examiner himself could in person do and perform. The board of bank examiners may employ such counsel and procure such expert assistants and advice as may be necessary in the liquidation and distribution of the assets of such bank, and may retain such of the officers or employes of such bank as they may deem necessary. The bank examiner shall require from the special agent appointed by him and from such assistants, as will have charge of any of the assets of the bank, such security for the faithful discharge of their duties as he may deem proper. The bank examiner shall cause notice to be given by advertisement in such newspaper as he may direct weekly, once a week for six consecutive weeks, calling on all persons who may have claims, but not including deposits shown by the books of the bank which shall prima facie be a proven claim against the bank, against such corporation, to present the same to the bank examiner and make legal proof thereof, at a place and within a time to be specified in this notice, not less than ninety days from the day of the first publication of the notice. The bank examiner shall mail a similar

notice to all persons whose names appear as creditors upon the books of the corporation. If the bank examiner doubts the justice and validity of any claims or deposits, he may reject the same and serve notice of such rejection upon the claimant or depositor, either by mail or personally and an affidavit of service of such notice, which shall be prima facie evidence thereof, shall be filed in the office of the board of bank examiners. An action upon a claim so rejected must be brought by petition to the court having jurisdiction of the affairs of the bank by the claimant within six months after such service or the same shall be barred. Claims presented and allowed after the expiration of the time, fixed in the notice to creditors shall be entitled to share in the distribution only to the extent of the assets in the hands of the bank examiner at the time claims are filed, without allowing for previous distribution. Upon taking possession of the property and assets of such corporation the bank examiner shall make an inventory of the assets of such corporation in duplicate, one to be filed in the office of the board of bank examiners, and one in the office of the chancery clerk in the county in which the principal office of such corporation was located (but not recorded.) Upon examination of the time fixed for the presentation of claims, the bank examiner shall make in duplicate a full and complete list of the claims presented, including and specifying which claims have been rejected by him, one to be filed in the office of the board of bank examiners and one in the office of the chancery clerk of the county in which the principal office of such corporation was located, but not to be recorded. Such inventory and list of claims shall be open at all reasonable times to inspection. The compensation of the special agents of the bank examiner, counsel and other employes and assistants and all expense of supervision and liquidation shall be fixed by the bank examiner subject to the approval of the circuit or chancery court in the county in which the principal office of such corporation is located, ~~compensation to any assistant or other employe exceed~~ on notice to such corporation, but in no event shall the compensation to any assistant or other employe exceed \$200.00 per month for services actually rendered and unless in case of emergency the compensation to counsel must be fixed and approved before the services are rendered, to-wit; in no case to exceed ten per cent of the funds administered. When the compensation for the various parties aiding in the liquidation is fixed and approved the same shall be paid out of the funds of such corporation in the hands of the bank examiner, and shall be a prior charge and lien on the assets of such corporation. The money collected by the bank examiner shall be, from time to time deposited in one or more State depositories. At any time after the expiration of the date fixed for the presentation of claims, the bank examiner may, out of the funds remaining in his hands after the payment of expenses declare and pay one or more dividends to creditors, and as soon as practicable, thereafter, he shall declare and pay a final dividend, such dividend to be paid to such persons and in such amount and upon such notice as may be directed by the circuit or chancery court having jurisdiction of the cause in the county in which the principal office of such corporation is located. Objections to any claims or deposits not rejected by the bank examiner, may be made by any party interested, by filing a copy of such objections with the bank examiner, who shall present the same to the court having jurisdiction before the time of the next application to declare a dividend. The court may make proper provisions for unproven or unclaimed deposits. Whenever the bank examiner shall have paid to each and every depositor and creditor of such

corporation whose claim or claims as such creditor or depositor shall have been duly proven and allowed, the full amount of such claims, and shall have made proper provisions for unclaimed and unpaid deposits or dividends, and shall have paid all the expenses of liquidation, the bank examiner shall call a meeting of the stockholders of such corporation by giving notice thereof for thirty days by publication once a week for three consecutive weeks in one or more newspapers published in the county where the principal office of such corporation was located. At such meeting the stockholders shall elect by ballot an agent or agents who shall wind up the affairs of such corporation, and in so determining said stockholders shall vote by ballot, in person or by proxy each share of stock, entitling the holder to one vote, and the majority vote of the stock shall be necessary to an election, a majority of the stock present and voting in person or by proxy being necessary. Such agent or agents shall execute and file with the bank examiner a bond, in such amount, with such security and in such form as shall be approved by the bank examiner conditioned for the faithful performance of all the duties of his or their trust, and so conditioned that any party aggrieved may bring or cause to be brought suit on said bond, and thereupon the bank examiner shall transfer and deliver to such agent or agents all the undivided and uncollected or other assets of such corporation then remaining in his hands and take a receipt therefor signed by such agent or agents, and upon such transfer and delivery the said bank examiner shall be discharged from any and all further liability to such corporation, and its creditors. Such agent or agents shall convert the assets coming into his or their possession into cash, and shall act for and make distribution of the property of said corporation as is herein provided in case of distribution by the bank examiner, except that the expense thereof shall be subject to the direction and control of the court having jurisdiction of the cause. In case of the death, removal or refusal to act of any such agent or agents selected by the stockholders, the stockholders on the same notice to be given by the bank examiner, upon proof of such death, removal or refusal to act, being filed with him, and by the same vote hereinbefore provided, may elect a successor who shall have the same powers and be subject to the same liabilities and duties as the agent originally elected. Dividends and unclaimed deposits remaining unpaid in the hands of the bank examiner for six months after the order for final distribution (at such rate of interest as is allowed by said State depositories) shall be by him deposited in one or more State depositories to the credit of the bank examiner in his official capacity in trust for the several depositors in and creditors of the liquidated bank from which they were received, and the bank examiner shall pay over the money so held by him to the persons respectively entitled thereto upon being furnished satisfactory evidence of their right to same. In case of doubtful or conflicting claims, he may require an order from the court having jurisdiction authorizing and directing the payment thereof. He may apply the interest earned by the money so held by him toward defraying the expense in the payment and distribution of such unclaimed deposits or dividends to the depositors and creditors entitled to receive the same. The board of bank examiners shall file annually with the governor of this State a report of the names of the banks taken possession of and liquidated, and the sum unclaimed and unpaid deposits or dividends with respect to each of them respectively together with a statement of the amount of interest earned by such unclaimed dividends, which reports the governor must submit to the legislature.

Sec. 61. Publicity of unknown depositors. It shall be the duty of the bank examiner to report to the board of bank examiners the name of every person not known to be living who appears by the records of the bank to have a sum of money on deposit; provided this section shall only apply to deposits made five years or more prior to such report which have not been added to by such depositor by further deposits or reduced by withdrawal made by him. The board of bank examiners shall give publicity to any such fact in such manner as the board may prescribe. 1922

Sec. 62. Interlocking bank directorates forbidden. No person shall be permitted to be a director in more than one bank serving the same incorporated town or city doing business in this State; provided, that any person holding a directorship in violation of this section when this act takes effect shall be given twelve months to comply with this section. Any person holding a directorship in violation of this section shall be guilty of a misdemeanor, and upon conviction shall be fined not more than \$100.00 and be ineligible to hold a directorship in any bank under the provisions of this act within two years therefrom. Provided this section shall not apply to savings bank and trust companies operated in connection with commercial banks doing business in the same building.

Sec. 63. Voting trusts in banks prohibited. The transfer of any part of the stock of a bank under the provisions of this act, to trustees solely or primarily that they may vote the same at annual elections and stockholders' meetings--"voting trusts" as they are generally known--is expressly prohibited. A violation of this section by any bank or banks under the provisions of this act, shall constitute a breach of law, and subject any such bank or banks to liquidation and forfeiture of their respective charters.

Sec. 64. Banks forbidden to hold stock in other banks. No part of the stock of any bank except regional reserve banks, doing business in this State shall be owned by any bank under the provisions of this act. Any such stock owned by any bank at the time this act takes effect shall be disposed of within twelve months after such time. In cases where such stock is taken as collateral and the purchase thereof shall be necessary to prevent loss upon a debt previously contracted in good faith, then in such cases such stock shall be sold by the bank within twelve months from the time that it was acquired. A violation of this section by any bank or banks under the provisions of this act shall be constituted a breach of law and subject any such bank or banks to liquidation and forfeit of their respective charters. 1922

Sec. 65. Clearing house associations must incorporate. No bank under the provisions of this act may be, become or remain a member of, or otherwise affiliated or connected with any voluntary or unincorporated organization performing any of the functions of a clearing house or clearing house association. Banks serving the same community or locality desiring to be associated together for the purpose of a clearing house association, shall have such association become a body corporate of this State under the general law provided for corporations. All banks doing business in this State may become members of such association shall have the right to voluntary withdrawal from such clearing house association, subject to the discharge of its obligations to the association and the members thereof. 1918

Charter of clearing house association; what to prohibit; members not to be restricted to certain matters.

The charter or articles of association or the law under which such association is organized must prohibit it and its officers and managers from exercising or attempting to exercise, directly or indirectly, any control or influence over its members thereof or over the conduct of their business except as expressly authorized by its charter, and from making or attempting to make or enforce any rule, regulation, agreement, or understanding in respect to any of the following prescribed subjects:

(1) The restriction or regulation of competition between the members of the association or any of them in any matter or thing connected with the business conducted by such members or authorized to be done by them under their respective charters.

(2) The fees, commissions, or other compensation chargeable by or payable to or to be charged by or paid to any member by its customers or otherwise for the collection by or through such member or its agent or correspondent of checks, drafts, notes, or bills or exchange drawn upon banks, bankers, trust companies, or others that are not members of such associations or that are outside its boundaries;

(3) The rates of discount or interest chargeable or to be charged by, or to be paid to, members on loans or discounts to or for customers or others.

(4) The rates of interest to be allowed by members on deposits; and

(5) The rates of exchange.

A violation of this section by any bank or banks under the provisions of this act, shall constitute a breach of law and subject any such bank or banks to liquidation and forfeiture of their respective charters.

Sec. 66. Definition of terms used. Whenever the word "bank" is used in this act, unless the context clearly shows that it is intended to be limited in its application to a particular character of bank, shall include trust companies, savings banks, branches of banks, and trust companies, and other institutions subject to the provisions in this act.

The term "corporation," when used in this act to refer to banks, or trust companies shall be construed and held to embrace every character of bank, branch bank, trust companies, any branch thereof, and other corporations subject to the jurisdiction of the banking department.

Bank officers, etc., must not contribute to campaign funds of candidate for examiner.

Sec. 67. Any director, stockholder or officer of any banking institution coming under the provisions of this act who shall contribute directly or indirectly to the campaign expense of any candidate for bank examiner shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of

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not less than \$500.00 nor more than \$1,000.00 and by imprisonment in the county jail not less than three months nor more than twelve months, or by both such fine and imprisonment, and receipt of such contribution shall disqualify the candidate knowingly receiving the same from holding the office of bank examiner.

Sec. 68. Provisions of unconstitutionality of any part of this act, and repeal of all conflicting laws. It is hereby declared to be the legislative intent, that if the courts shall declare any part, provision or section of this act to be unconstitutional said unconstitutionality shall not effect or destroy any other part or provision or section of this act; and all laws or parts of laws in conflict with this act are hereby repealed.

Sec. 69. When to take effect. That this Act shall take effect and be in force from and after its passage.

Approved March 9, 1914.

Sec. 70. Added in 1918. Gives board of examiners power to employ special counsel and attorneys to assist in court cases. 1928 amendment - suggested that may also special examiners, investigators, adepts for any case where he has belief bank may have suffered loss by criminal act of any person.

AMENDMENTS TO THE BANKING LAWS OF MISSISSIPPI - 1916

*Sessin Laws
Chs. 207 and 208*

(Mrs. Bastedo's Synopsis)

*Check indicates review
by CW with comparison
with sessin laws
7th in Mar 1955*

Department of Banking

Chapter 207, p. 314. Amends 1914 - Chapter 124, Section 23.
A minimum assessment of \$30. a year is provided for.

Examination

Chapter 207, Section 1, p. 313. Amends 1914 - Chapter 124, Section 15.
In the items not allowable for credit, the item regarding overdrafts
is changed to read:

"Nor for any unsecured overdrafts that may have existed for a
greater period than 30 days"

instead of "three months."

The further provision is made and:

"only such overdrafts shall be considered as secured as those advanced
against products or actual existing values evidenced by warehouse
receipts or bills of lading, or against bills of exchange drawn in
good faith against actual existing values."

Violations and Penalties

*Added provisions to banking code. No section
numbers.*

Chapter 207, Section 3, p. 318.

Neglect of duty by banker, officer,)	Fine not over \$500.00 and/or imprisonment not over 6 months.
employee, director, or agent)	
guilty of a misdemeanor. Any state)	
bank examiner who neglects to carry)	
out any part of the law where no)	
other penalty is provided.)	

Chapter 207, Section 4, pp. 318-19.

Perjury by officer, director,)	Imprisonment not to exceed 3 years.
employee, owner or agent.)	

Chapter 207, p. 318

<u>Violation</u>		<u>Penalty</u>
Sec. 2, p. 318		
False statement by officer,)	Fine of not over \$1,000 or imprisonment not over 3 years.
director, cashier, agent, clerk,)	
or owner with intent to deceive)	

Reports of Condition

Chapter 207, Section 1, pp. 313-4. Amends 1914 - Chapter 124, Section 19.
The only change is the specifying that a copy of such "published"
report instead of just "report". (The summary at the beginning of

(Amendments - 1916)

of the chapter refers to "changes for copies of bank reports" but the only change, after two careful readings and checkings, to be found was the insertion of the word "published" before report.)

The Fund

Chapter 207, Section 1, pp. 314-5. Amends 1914 - Chapter 124, Section 34. ✓

Initial Deposit with State Treasurer.

Good road bonds and drainage district bonds are added as acceptable security to be deposited. Where it states the purpose of the fund it originally was written to pay "at once." The words "at once" are now omitted.

It is also provided that notes, bonds, securities or assets of any kind, which any bank may deposit or hypothecate as collateral for funds borrowed, shall be used first for the liquidation of the debt for which said collaterals are hypothecated. Any remaining (or funds therefrom) are to be delivered to the bank or to the board of banking examiners for the protection of the depositories of the bank and for the Guaranty Fund.

Assessments

Chapter 207, Section 1, pp. 315-6. Amends 1914 - Chapter 124, Section 35. ✓

In the date for making assessments the phrase "or as soon thereafter as practicable" is added.

The further provision is made that whenever the current fund reaches \$10,000 and as often as the fund shall accumulate to that amount the state treasurer, by order of the Board of Bank examiners, shall invest proceeds of the fund. U. S. or Mississippi state bonds, the bonds of any levee or drainage district or the bonds of any county, township or municipal bonds within the state of Mississippi.

Interest

Chapter 207, Section 1, pp. 316-17. Amends 1914 - Chapter 124, Section 39. ✓

Instead of making a statement "quarterly" it now reads "upon the same dates for which call statements are made as provided for in Section 18 of this act." ✓

Stockholders Liability

Chapter 207, Section 1, p. 318. Amends 1914 - Chapter 124, Section 59. ✓

In the old section, in giving the exception for persons holding stock as executors, etc., the phrase "and persons holding stock as collateral security" is included.

In the new one, this is omitted at that point and the same phrase inserted subsequently as follows:

"and persons holding stock as collateral security shall not be personally responsible as stockholders but the person holding such stock shall be deemed liable under this section.

(Amendments - 1916)

Loans and Investments

Chapter 207, Section 1, p. 317. Amends 1914, Chapter 124, Section 56.
Loans to Officers and Employees.

The section is the same but with the provision regarding violations added that any officer, director, owner or employee who borrows or permits to be borrowed any money or funds in violation of this act shall for each offense either be fined up to \$5,000 or be imprisoned up to 3 years.

The penalty for violation by a bank examiner is a fine of not more than \$5,000.

Not in 1916 amendment (to Sec. 56 or other section)

The discount of commercial or business paper, actually owned by a person or firm making the negotiations shall not be construed as money borrowed or coming within the 25% limit.

Any officer or director *allowing prohibited loans* shall be liable individually therefor. *especially making loans to directors, officers & employees*

Depositories, Public

Chapter 208, p. 319. Amends 1914 - Chapter 257, Section 2.

The additional provision is made that failing to secure a county depository by advertisement to the banks of the county and adjoining counties, they shall re-advertise in the county and in a state bank throwing it open to any state bank and giving preference to banks outside the home county.

The clerk of the board of supervisors is to send a copy of the notice to the state treasurer who will assist in getting some bank in the state to bid.

Deposits Subject to Guaranty

Chapter 207, p. 316. Amends 1914 - Chapter 124, Section 38.

First sentence is amended to read as follows: Remainder unchanged.

Sec. 38. All deposits not otherwise secured and all cashier's checks, certified checks or sight exchange issued by banks operating under this law shall be guaranteed by this act.

NOTE.

This must be from an amended code - not new legislation.

AMENDMENTS TO THE BANKING LAWS OF MISSISSIPPI - 1917

(Mrs. Bastedo's Synopsis)

Trust Companies

HAMC - Section 3524, p. 1832

Duties and Powers. May accept and execute all trusts and perform such duties as may be committed to them by any person or corporation, or by order of any court, or in any other fiduciary capacity authorized by law.

They may loan money on real estate or collateral security. Interest must not be of greater rate than allowed by law.

Must make same reports each year, showing their assets and liabilities, and be governed by the same laws as other banking institutions.

HAMC - Section 3525, pp. 1832-33

Mutual loan Department. Expenses, losses and profits to be kept separate from all other departments.

"They may receive as members of said department persons who desire to become such and to borrow money from the company and to fix and regulate the manner of conducting such department. Shares of stock may be issued to such borrowers, to be paid for in such installments as may be agreed upon or fixed by the by-laws."

8% interest maximum allowed company itself or other investors in the department. The remainder of the net profits are to be credited on the stock of the borrowing members, who are to continue to pay the installments agreed upon until such stock matures or their indebtedness is otherwise discharged.

All their loans may be secured by mortgages or trust deeds on real estate or other sufficient collateral security.

They may own such real estate as may be required and convenient for the transaction of their business and as they may acquire in the enforcement and collection of debts due them.

HAMC - Section 3526, p. 1833.

Use of terms. All corporations in the state authorized to do a banking business must use the word "bank" or "banking" in its name and those chartered to do a trust business must use the word "trust," and these terms may not be used in any corporate name where such business is not authorized.

HAMC - Section 3527, p. 1833.

Use of name of bank by other persons not permitted.

(Amendments - 1917)

Branch Banking

HAMC - Sections 3521 and 3522, p. 1831 (Sec. 260 of 1906)

Creation of branch banks after this act goes into effect is expressly forbidden, both in the state and by a parent Mississippi state bank outside the state.

Every parent bank operating a branch bank or banks must set apart for the exclusive use of each such branch capital of at least \$10,000.

AMENDMENTS TO THE BANKING LAWS OF MISSISSIPPI - 1918

(Mrs. Bastedo's Synopsis)

Assessments

Chapter 165, Section 1, pp. 179-80. Amends 1916 Ch. 207, pp. 315-16 (1914-act 30) 2-1916
In setting the annual date for assessments the date "during the month of January" is modified by "or as soon thereafter as practicable."

In the provisions for investing the fund, instead of "shall amount to as much as \$10,000 ~~as~~ as often as the fund shall amount to" it now reads, "whenever the guaranty fund amounts to \$10,000 or multiples of \$10,000." ✓

Road district bonds, and guaranty certificates issued by the banking department are added to permissible investments. ✓

The provision is added that whenever the demand on the guaranty fund exceeds the cash on hand, the state treasurer shall, at the order of the board of bank examiners, sell or hypothecate such bonds as they deem advisable. ✓

In addition to crediting the fund with its share of interest on the funds deposited, the state treasurer is also to credit it with the interest on the bonds in which the funds are invested. ✓

Liquidation - Voluntary

Chapter 247, Section 1, pp. 303-305.

Upon a vote of 2/3 of the capital stock of any solvent banking corporation they may proceed as follows: ✓

(a) the bank to notify the board of banking examiners by registered mail of their intention to liquidate, enclosing a certified copy of the minutes of the stockholders' meeting. They shall publish each week, for 3 consecutive weeks, in a local newspaper giving the date of the proposed liquidation and calling all creditors and depositors to present their claims within 30 days after the date set. Included also is to be a detailed statement of the assets and liabilities of the corporation. ✓

(b) the stockholders, with the approval of the board of bank examiners, appoint a special agent to have charge of the liquidation and to be responsible to the creditors and stockholders as well as to the board of bank examiners. The special agent to furnish bond approved by the board of bank examiners and to receive a salary of not over \$200.00 per month while actually engaged in the liquidation of the bank. Special agent to be under the supervision of the board of bank examiners. ✓

(c) Special agent is to take charge on the date set for liquidation, in the notice, and to file with the board of bank examiners a sworn detailed statement of the assets and liabilities of the bank. He is to proceed to pay in full, as presented, all claims of creditors and depositors as shown on the books of the bank and all claims which may be proven. ✓

(d) The stockholders of the bank are to furnish a sufficient bond, approved by the board of bank examiners, to insure the payment of all

New law - not amending ch. 127 of 1914 law

Amended 1922

(Amendments - 1918)

liabilities shown on the books of the bank and all proven claims. Any suits brought upon such bond must be within 4 months after date of liquidation.

(e) At the end of 30 days from the date of liquidation, the special agent is to file with the board of banking examiners a detailed report of all his proceedings, collections and disbursements, and a list of all assets remaining and all liabilities still unpaid. Also a list of all unclaimed deposits or creditors as shown by the books. The amounts due are to be delivered in cash to the board of banking examiners and by them to be deposited in a guaranteed bank for payment to the said depositors or creditors upon presentation of their claims.

The remaining assets of the bank may be distributed among the stockholders provided they make sufficient bond "in amount of the capital, surplus and undivided profits of the bank", said bond to expire 4 months from the date of liquidation provided no claim or suit may have been filed against it.

Examiners

Chapter 165, p. 177. Amends 1917 - HAMC, Sec. 3529; 1914 - Ch. 124, Sec. 2. Chairman of board of bank examiners is to be selected from among the members of that board by the board of bank commissioners. ✓

Chapter 165, p. 177. Amends 1917 - HAMC, Sec. 3545; 1914 - Ch. 124, Sec. 7. Salary. The salary of bank examiners is increased from \$3,000 to \$3,600 per year. ✓

Chapter 165, p. 178. Amends 1917 - HAMC, Sec. 3552; 1914 - Ch. 124, Sec. 10. In the original section 3/4 of the compensation was to be paid from the banking department funds and 1/4 from the funds of the board of bank examiners. The new section omits "3/4 of said compensation to be" and states that all such expenses are to be paid from the funds of the banking department. ✓

Chapter 165, Section ~~70~~, p. 181. *Add Section 70 to 1914, ch. 124* ✓
The board of bank examiners is given discretion in emergencies to employ special counsel to assist in the prosecution of persons charged with criminal act in connection with any state bank. The compensation for such counsel is to be fixed by said board and paid out of the banking department fund. The maximum to be \$500.00.

Receiving Deposits when Insolvent

Chapter 166, Section 1, p. 182. Amends 1917-HAMC, Sec. 3612; 1914 - Ch. 124, Sec. 52. ✓

The modified phrase "or having reason to believe" is added to "knowing that such bank or branch bank is insolvent."

Clearing House Association

Chapter 165, Section 1, pp. 180-1. Amends 1917-HAMC, Sec. 3633 and 3634 (numbers given are 3268 and 3269. These are evidently a misprint.) ✓

The additional provision is made that all rates, rules, regulations and by-laws must before becoming effective receive the approval of the board of bank examiners. Discretionary power is invested in the board of bank examiners. *1914, ch. 124, sec. 65.*

(Amendments - 1918)

Depositoriss, Public

Chapter 153, Section 1, pp. 157-8.

Amends 1910 law ch. 254

State. Any bank in state may qualify as state depository by placing on deposit as security with state treasurer any of the following securities -- the market value of which is 10% greater than the account applied for:

- Mississippi registered state bonds;
- Yazoo and Mississippi Delta Levee District bonds;
- Mississippi Levee District bonds;
- county bonds and municipal bonds of counties and cities of Mississippi;
- municipal bonds of cities with a population of 100,000 and over, located in the states of Louisiana, Texas, Arkansas, Alabama, Georgia, Florida and Tennessee;
- United States bonds;
- and also coupon bonds of the state of Mississippi;
- certificates of indebtedness and notes of the state of Mississippi, which are legal, recognized and binding obligations of the state of Mississippi under the constitution and laws thereof when offered as security, or surety bonds of any surety company authorized to do business in the state of Mississippi.

Money to be drawn from depositories as nearly equitably as possible, except where there is a state depository in a county the general school fund must be drawn from the depository in that county.

Chapter 153, Section 1, pp. 167-8.

Amends 1912 law ch. 194

County. Any bank in a county, or in an adjoining county where there is no bank in the county qualifying, may qualify as a county depository by placing on deposit with the county treasurer as security any of the following securities when worth at least par on the market in an amount 10% greater than the maximum to be placed on deposit:

- Mississippi registered and coupon state bonds;
- Yazoo and Mississippi delta levee district bonds;
- Mississippi levee district bonds;
- county bonds and municipal bonds of counties and municipalities in Mississippi;
- State of Louisiana bonds;
- bonds of the city of New Orleans and state of Louisiana levee bonds;
- United States bonds;
- Mississippi drainage district bonds;
- bonds of any consolidated school district;
- road district of this state;
- certificates of indebtedness and notes of the state of Mississippi which are legal, recognized binding obligations of said state of Mississippi, under the constitution and laws thereof when offered as security.

Or surety bonds of any authorized surety company in the state.

(Amendments - 1918)

If at any time the bonds deposited become worth less than par on the market, the board has the right to demand other and different security. Failure to deposit the additional security on demand forfeits the bank's rights as a depository.

The board has the right to reject bids where they believe the security insufficient.

Federal Reserve Membership

Chapter 248, Sections 1 and 2, p. 306.

Any state bank or trust company is given the power to subscribe to the capital stock and become a member of a Federal Reserve bank. ✓

Any state bank or trust company, which becomes a member of a Federal Reserve Bank, is ~~required~~ ^{required} to comply with the reserve requirements and the amendments thereto, in lieu of state requirements relating to maintenance of reserves.

New Law

AMENDMENTS TO THE BANKING LAWS OF MISSISSIPPI - 1920

(Mrs. Bastedo's Synopsis)

Bank Commissioners, Board of

Chapter 188, pp. 252-3. Amends 1917 - HAMC, Ch. 3, Sec. 3532, 3533, 3534, 3535, 3536; 1914 - Ch. 124, Sec. 4. ✓

The compensation of the bank commissioners was changed from a per diem of \$5.00 and expenses, while in the discharge of his duties, to an annual salary of \$300.00 and expenses.

Relation of Capital to Deposits

Chapter 189, Section 1, p. 255; Amends 1917 - HAMC, Sec. 3601. ✓

A recess of two years from the law as enacted is provided for allowing 12 months for a bank to adjust its capital and deposits to the 10 to 1 ratio, after an excess. *(After 2 years recess to six months)* ✓

Examiners

Chapter 188, p. 253. Amends 1917 - HAMC, Sec. 3549 and 3550; 1914 - Ch. 124, Sec. 9. ✓

The salary of the office assistant is increased from \$1,800 to \$2,400 per year. ✓

In addition to the office assistant, the board of bank examiners is authorized to appoint a clerk or stenographer to be under the office assistant and to receive a salary of not over \$1,500 annually payable out of the "banking fund."

The office assistant and clerk or stenographer to execute the same bond as a bank examiner.

Chapter 188, p. 254 and p. 255. Amends 1918, Ch. 165, p. 178, Sec. 10. ✓

The assistants appointed by the board of bank examiners compensation of \$10.00 per day and expenses with a maximum of \$150.00 per month, while actually employed in the work of examining the banks, is changed to an annual salary of \$3,000.00 per year and expenses. ✓

Chapter 188, p. 253. Amends 1918 Ch. 165, Sec 7. *Also 1914 Ch. 124, Sec. 7* ✓
The salary of bank examiners is increased from \$3,600 per year to \$5,000 per year.

Loans and Investments

Chapter 187, Section 1, pp. 251-2. ✓

Any guaranteed state bank may accept drafts or bills of exchange drawn upon it, having not more than 6 months sight to run, exclusive of days of grace, which grow out of transactions involving the shipment of goods provided shipping documents conveying or securing the title are attached, or which are secured by warehouse receipts or other documents conveying or securing the title covering "readily marketable staples not subject to rapid deterioration." *New Law*

Such acceptances for any one person, company, firm or corporation are limited in the aggregate to 10% of the bank's paid-up and unimpaired capital and surplus unless secured by such attached documents. No such bank shall accept such bills to an amount equal, at any time in the aggregate to more than 1/2 of its paid-up and unimpaired capital and surplus.

(Amendments - 1920)

Branch Banking

Chapter 192, Sec. 1, p. 257. Amends 1917 - HAMC - Sec. 3521.

Makes exception of restriction against branch banks in cities of at least 10,000 population, where the majority of the state bank examiners believe the convenience and interest of the public will be served, they may permit the establishment of branch offices within the corporate limits of the city in which the bank is domiciled, *such offices not to be considered branches under section 261 of the 1906 code.*

Section 260 of code of Mississippi 1906

Chapter 184, Section 1, p. 249.

Any national bank with one or more branches existing and doing business in this state that shall surrender its charter as a national bank and convert to a state bank has the right to operate the same branch bank under the state law as it operated under its charter as a national bank.

New Law

Exchange Charges

Chapter 183, Section 1, p. 248.

"For the purpose of providing for the solvency, protection and safety of the banking institutions of Mississippi", the custom of the banks to charge a service fee for collecting and remitting by exchange the proceeds of checks, drafts, bills, etc., is declared the law of the state and applies to both state and national banks.

New Law

The amount of the charge is fixed at 1/10 of 1% of the total amount of the item with a minimum of 10¢ on any one transaction. Exception to this rule is made, however, in the settlement of obligations due the state of Mississippi or any subdivision thereof or of the United States. Also no such charge can be made for the collection of checks deposited with the banks where the check is drawn on any other bank in the same municipality. It is specifically stated that this is not mandatory but optional

Sec. 2, p. 248. There is no right of action at law or in equity against a bank for refusal to pay such cash item, when the refusal is based on the ground of non-payment of such exchange.

Sec. 3. National Banks. If the courts, for any reason, hold that national banks in the state are not required to charge and collect such exchange, this act is still to remain in full force and effect as to all other banks in the state. In the event of any national bank refusing to comply with this act such refusal being upheld by the courts it is optional with the state banks in the same municipality with the national bank as to whether or not such charges shall be made.

Bank Officers and Employees

Chapter 185, Section 1, p. 250.

Bonds. Every active officer and employee of any state bank or trust company must furnish a fidelity bond.

New Law

Sec. 2. The amount of such bond to be fixed by the Board of Directors, subject to the approval of the state bank examiners.

Amended 1922

*Office hours of banks
Chapter 186 requires banks to keep open until 3 pm - with certain exceptions*

AMENDMENTS TO THE BANKING LAWS OF MISSISSIPPI - 1922

(Mrs. Bastedo's Synopsis)

Department of Banking Expenses

Section 26, Chapter 172; Amends 1914 - Ch. 124, Sec. 26, p. 189. ✓

The only change is that the superintendent takes the place of the board of bank examiners.

Section 25, p. 189. Amends 1914 - Ch. 124, Sec. 24. ✓

The superintendent takes the place of the bank examiner in authority, and the reference to the office assistant having the power and duties of the bank examiner, etc., is omitted. *to collect payments*

Examinations

Section 11, Chapter 172, p. 183; Amends 1920 - Ch. 188 (1914 - Sec. 10, Ch. 124.) ✓

It is provided for each bank to be examined at least twice a year at irregular intervals without prior notice but except at the order of the superintendent no bank is to be examined by the same examiner twice in succession. ✓

Section 16, p. 185; Amends 1916 - Ch. 207. (1914, Sec. 15.) ✓

The provision is added that only such overdrafts shall be considered secured as are advanced against products of actual existing values evidenced by warehouse receipts, etc. *This was added in 1916. Change is to refer to Superintendent as well as examiner*

Section 17, p. 186; Amends 1914 - Ch. 124, Sec. 16. ✓

Special examinations. Duty transferred from chairman of board of bank examiners to superintendent of banks. ✓

Section 18, p. 186; Amends 1914 - Ch. 124, Sec. 17. ✓

Responsibility placed on superintendent, or on examiner. ✓

Violations and Penalties

Chapter 172, Section 50, p. 205. Amends 1914, Ch. 124, Sec. 67. ✓

"Any officer, or employee of the banking department" is substituted for "candidate for bank examiner". ✓

Reports of Condition.

Section 19, pp. 186-87; Amends 1914 - Ch. 124, Sec. 18. ✓

Superintendent substituted for bank examiners.

Section 20, p. 187; Amends 1914 - Ch. 124, Sec. 19. ✓

Superintendent to collect fee instead of examiners.

Capital Stock Impairment

Chapter 172, Section 21, pp. 187-8; Amends 1914 - Ch. 124, Sec. 20. ✓

When the superintendent believes the capital stock of any bank impaired he is to require the stockholders to restore the capital or to execute a bond for the benefit of the creditors in a sum to be specified by the superintendent that all "just debts and liabilities" will be paid in full within a time, not to exceed 12 months, set by the Superintendent.

(Amendments - 1922)

If the capital is not restored or bond furnished within the time set, the superintendent is to take possession of the institution until either business is resumed or its affairs liquidated.

Stock sold or restored: If capital is not restored within 30 days after the superintendent takes possession, he may sell it or as much thereof as may be necessary to make good the deficiency, selling as much, pro rata, of the stock as may be necessary to restore the capital, calling in and canceling stock to the amount of the stock sold. Any stockholder wilfully withholding his share "sold for delivery to the purchaser" commits a misdemeanor and is subject to a penalty of \$250.00 for each share he owns and fails to transmit to the superintendent on demand. If the stockholder owns a greater number of shares than the "pro rata of his stock sold" then the superintendent shall re-issue to him certificates of such shares of his stock that have not been sold.

The superintendent has the legal right to take possession of all the stock of the stockholders for the purpose herein before provided and has legal authority to institute proceedings in his own name as superintendent for the recovery and possession of stock held.

Any pledgee of such stock has the right to the proceeds when converted. Any impairment of cash reserve shall be made good within 30 days.

Banks - Organization

Chapter 172, Section 27, p. 190. Amends 1918 Ch. 165 (1914 Ch. 124, Sec. 28) ✓

The only change is that the articles of incorporation are to be filed with the superintendent of banks instead of with the board of bank examiners.

Liquidation - When

Chapter 172, Sec. 22 ~~and 23~~, pp. 188-9. Amends 1914 - Ch. 124, Sec. 21 ~~22~~. ✓

The superintendent takes the place of the board of bank examiners instead of the bank examiner reporting to the board for consideration, the superintendent to consider ^{the bank} and liquidate. *may liquidate the bank*

Chapter 172, Section 23 amends In section 22 of 1914 the only change is the substituting the superintendent for the board of bank examiners. *May also do as bank wants to meet obligation in ordinary course of business*

Articles of Incorporation

Chapter 172, Section 28, p. 190. Amends 1914 - Ch. 124, Sec. 30. ✓

Provides that one copy of the articles of incorporation shall be filed in the office of the banking department instead of in the office of the board of bank examiners.

Preliminary Report

Chapter 172, Sec. 29, pp. 190-91. Amends 1914, Ch. 124, Sec. 31. ✓

Superintendent of banks is inserted in place of board of bank examiners.

personally or through an examiner

(Amendments - 1922)

Charters

Chapter 172, Section 30, p. 191. Amends 1914 - Ch. 124, Sec. 32.
Is amended to read "a certificate from the superintendent or a bank examiner," instead of just "bank examiner."

Membership in Fund

Chapter 172, Section 31, pp. 191-92. Amends 1914 - Ch. 124, Sec. 33.
The superintendent of banks is substituted for board of bank examiners.*

Sec. 40, pp. 197-98. Amends 1914 - Ch. 124, Sec. 45a.
Superintendent is substituted for board of bank examiners.*

SUSPENDED by 1930 - Ch. 22, Sec. 1, p. 23-24.

After guaranty fund becomes operative - Sec. 41, p. 198. Amends 1914 - Ch. 124, Sec. 46.
The superintendent of banks is substituted for board of bank examiners.

SUSPENDED by 1930 - Ch. 22, Sec. 1, p. 23-24.

The Fund

Chapter 172, Section 38. Amends 1914 - Ch. 124, Sec. 41.
Initial Deposit. The superintendent of banks is substituted for board of bank examiners.

The state treasurer is authorized to insure if possible all bonds delivered to him under this section against loss by robbery, theft, embezzlement or other unlawful appropriation, and the premium to be paid out of the maintenance fund.

Assessments

Chapter 172, Section 32, p. 192-93. Amends 1916 - Ch. 207 (1914- Ch. 124, Sections 34 and 35), *respectively*.
Superintendent is substituted for board of bank examiners.

Section 35, p. 195. Amends 1914 - Ch. 124, Sec. 37.
The only change is the superintendent is substituted for both board of bank examiners and examiners.

Liquidation

Chapter 172, Section 34, pp. 194-95. Amends 1914 - Ch. 124 - Sec. 36.
Sale of assets to another bank. Superintendent has power after he has taken charge of an insolvent bank, with the consent of the majority of the directors to sell the assets of the bank to any existing solvent bank at such price as he may consider fair value. The purchasing bank to assume the full amount due all creditors of the liquidating bank and paying the remainder of the purchase price if any, to such liquidating bank.

In all cases the superintendent must require the purchasing bank to execute to him a bond with one or more approved sureties for the benefit of the creditors of the bank in case the purchaser bank fails to

(Amendments - 1922)

pay any creditor the full amount of his claim. The creditor has the right to bring suit in the name of the superintendent against such purchasing bank and the surety on its bond and all interested parties may join therein.

The original sections follow with the exception of the substitution of the superintendent for the board of bank examiners.

Sec. 47, pp. 200-204. Amends 1914 Ch. 124, Sec. 60.

The superintendent of banks and department of banking are substituted in place of board of bank examiners. ✓

The limitation as to the amount to be paid to "assistant or other employee" and also to counsel, is omitted.

The Fund

Chapter 172, Section 36, pp. 195-96. Amends 1916 Ch. 207 (1914 - Ch. 124, Sec. 38.) ✓

The only change is the superintendent is substituted for board of bank examiners.

Interest

Chapter 172, Section 37, p. 196. Amends 1916 Ch. 207 (1914 - Ch. 124, Sec. 39.) ✓

In the first sentence the reference to private bank is omitted, and superintendent of banks is substituted for board of bank examiners. ✓

Liquidation - Voluntary

Chapter 172, Section 51, pp. 205-06. Amends 1918, Ch. 247. ✓

"Banking department" is substituted for "board of bank examiners." ✓

In "e" the bonds are to be made payable just to the state of Mississippi instead of the Board of Bank examiners.

Stockholders Liability

Chapter 172, Section 46, p. 200-01. Amends 1916 - Ch. 207 (1914 - Ch. 124, Sec. 59.) ✓

Banking department is substituted for board of bank examiners.

Board of Directors

Chapter 172, Section 43, p. 199. Amends 1914 - Ch. 124., Sec. 50. ✓

Banking department is substituted for board of bank examiners.

Examiners

Chapter 172, Section 5, p. 180. ✓

Not to exceed seven examiners to be appointed by the superintendent of banks. Said examiners to work under the direction of the superintendent. To be at least 25 years of age, of good moral character, practical accountants with a thorough understanding of the theory and practices of banking. They may not during their term of office be connected directly or indirectly with any banking institution. ✓

(Amendments - 1922)

The superintendent is himself to examine banks when not otherwise employed in his duties.

But prior to the first Monday in January 1924 when the first superintendent of banks takes office the board of bank examiners is authorized to employ at their discretion not to exceed two additional assistant bank examiners to serve from month to month and be removable at the option of the board. Such assistants to receive the same salary now provided for assistant bank examiners. The board is also authorized prior to January 1924 to employ additional clerical help as may be deemed necessary.

Sec. 6, p. 180. Amends 1914, Ch. 124, Sec. 3.

Oath and Bond: The first paragraph of section 3 regarding qualifications is omitted (new qualifications being prescribed in section 5). The same requirement for oath and bond of the examiners is the same except that the approval is to be by the superintendent of banks instead of by the Governor.

Section 7. p. 181. Amends 1914 - Ch. 124, Sec. 6.

Charges against: Presented before a board consisting of the Governor, Attorney General, and the Chief Justice of the Supreme Court. If the board finds that any provision of the law has been violated or that the person in question is unfit in any way to hold office or that his holding of the office would "imperil the rights hereunder protected," they may at their discretion remove such person. In connection with such investigation any member of the board has power to administer oaths and compel the attendance of witnesses, etc.

Section 8, p. 181. Amends 1914 Ch. 124, Sec. 7 & 1920 - Ch. 188.

The salary of an examiner not to exceed \$300. per month "to be fixed by the superintendent" and traveling expenses payable monthly out of the banking department funds, each voucher to be accompanied by an itemized statement.

In regard to office furniture, fixtures and equipment, etc., it is changed giving the superintendent of banks the authority to request books, papers and documents delivered to the banking department.

Section 9, p. 183. Amends 1914 Ch. 188, p. 253.

It is changed to require all papers to be certified by the superintendent or an examiner instead of by an examiner.

Except with the consent of the superintendent no original papers may be removed at any time from the department.

Section 10 amends 1914 Ch. 124, Sec. 9 & 1920 Ch. 188.

The superintendent instead of the board of bank examiners is to appoint an office assistant and in addition to the office assistant he is authorized to appoint two clerks and additional clerks may be appointed with the consent of the executive committee of the Mississippi Bankers Association.

(Amendments - 1922)

The assistants shall receive a salary of not more than \$2,400 and each clerk of not more than \$1,500 annually, out of the banking department's maintenance funds. ✓

Instead of the board of bank examiners the superintendent is made responsible for the acts of examiners, of assistants and of clerks. Said office assistants and clerks to execute bond of not less than \$10,000.

No examiner or other employee related in any way within a third degree to the superintendent shall be employed by him.

Section 11, p. 183; amends 1920 - Ch. 188 (1914 - Ch. 124, Section 10.)
The apportioning of the work among the examiners is now in the hands of the superintendent and in connection with the clause that no examiner shall examine one bank twice in succession the superintendent may at his discretion permit this. ✓

Section 12, p. 183; amends 1914 Sec. 11.
Superintendent is added to examiner in power in connection with making investigations. ✓

The additional provision is made that the superintendent or examiner may call for statements from all corresponding banks or persons or corporations showing a balance on the books of the bank of more than \$500. at each examination.

Reports to the Legislature

Chapter 172, Section 45, p. 200. Amends 1914 - Ch. 124, Sec. 58.
In the beginning superintendent of banks is substituted for board of bank examiners, and at the last, the superintendent is added to "each bank examiner." ✓

Loans and Investments

Chapter 172, Section 42, p. 199. Amends 1914 - Ch. 124, Section 49.
Instead of "with the consent of the board of bank examiners" it now reads "with the consent of the superintendent of banks." ✓

Section 44., pp. 199-200. Amends 1916, Ch. 207 (1914 - Ch. 124, Sec. 56)
Loans to officers and employees. No officer or employee of the banking department" is substituted for "bank examiner." ✓

Section 49, pp. 204-05. Amends 1914 - Ch. 124, Sec. 64.
The new section adds "Edge law banks" to the exception along with regional reserve banks. ✓

Branch Banking

Chapter 176, Section 1., p. 212. *Amends 1906 law as amended in 1920*
Provided that branch banks may be removed from one municipality to another with the consent of the ~~branch~~ bank examiner. ✓

(Amendments - 1922)

Superintendent of Banks

Chapter 172, pp. 178-208, Sec. 1. Amending 1914 Ch. 124, Sec. 1.

Creating the office of and vesting full supervisory power in the superintendent of banking. ✓

Section 2, pp. 178-79.

How Chosen. On the first Monday in December 1923 and once every four years thereafter, the directors of every state guaranteed bank are to elect one of their officers or directors a delegate to a convention to be the succeeding Monday to elect a superintendent of banks and to fix his salary. No branch bank to have a delegate or vote. The Secretary of State to preside until a chairman and secretary are elected. ✓

In case of a vacancy a convention to be called to elect a successor.

Section 3, p. 179.

Qualifications. Man of good character. Five years experience as an executive in a reputable solvent bank in Mississippi but shall not be interested directly or indirectly in any bank while in office. ✓

Must file "constitutional oath," and execute a \$50,000 bond in an authorized surety company in the state.

Section 4.

Removal. Removal for neglect of duty, "malfeasance, misfeasance, extortion, extortion or corruption in office, incompetency or intemperance in the use of intoxicating liquors or narcotics to such an extent, in view of the dignity of the office and the importance of his duties, as to unfit him therefor, or for any offense involving moral turpitude while in office." Also, should three banks fail in any one year due to his failure to discharge the duties of his office. Should the office be vacant the oldest examiner is to serve as superintendent until a superintendent is appointed. ✓

Section 5, p. 180.

The superintendent to appoint the examiners. For further details see "Examiners." ✓

Section 7, p. 181. Amends 1914 - Ch. 124, Sec. 6.

A board consisting of the governor, attorney general, and chief justice of the supreme court, will hear the charges against the superintendent or examiners. See "Examiners." ✓

Chapter 172, Section 13, pp. 183-4. Amends 1914 - Ch. 124, Sec. 12.

It now reads: The superintendent or examiner shall have the authority "instead of just examiner" and the additional provision is made for his authority to "invoke the process of the chancery court to compel such testimony", etc. ✓

Section 14, p. 184. Amends 1914, Ch. 124, Sec. 13.

The supervisory power is put in the hands of the Superintendent, or examiner. ✓

*Terms begin
1st Monday
in January
[Supt. of Banks
office first Monday
Jan. 1924]*

Sup. 5

add produce necessary papers

(Amendments - 1922)

Section 15, p. 185. Amends 1914, Ch. 124, Sec. 14.

Adds superintendent to those required to keep a record of transactions and to keep information confidential. ✓

Public Funds

Chapter 177, pp. 212-13.

Amends law 1406 by

All public funds deposited in a bank are declared trust funds and not "liable to be taken by the general creditors of the officer or by the creditors of the depository." It is made a first claim on the funds of a bank that is in the hands of the examiners. ✓

Assessment for maintenance of banks in dept.

Chap. 172, sec. 24. Amends 1914, ch. 124, sec. 23 ✓

Change in wording only from 1916 amendment.

Records to be kept

Chap. 172, sec. 39. Amends 1914, ch. 124, sec. 44 ✓

Change board of banks examiners to superintendent

Publicity of unknown depositors [presumably in banks examined]

Chap. 172, sec. 48. Amends 1914, ch. 124, sec. 61 ✓

Change board to supt. + examine to off. employees of dept.

Fidelity bonds - bank officers + employees

Chap. 172, sec. 52. Amends 1920 law, chap. 185, sec. 2 ✓

change examine to supt. + require inspection in examine of bank

Limitation of bank's liability in dealing with certain persons

Chap. 172, sec. 53. *New law.*

Bank does not have to ask re limitation of power of person to deal

Adverse claim to deposits - establishment of

Chap. 172, sec. 54. *New law.*

Adverse claimant must have credit order, except in case of February

Prior right

Chap. 172, sec. 55 - *New law section*

Prior right in balance, also not affected

Rechecks drawn on insufficient funds - punishment

Chap. 173. *Punish for protected etc. New law*

Interest on deposits of tax collection

Chap. 174. *Requires interest at 2% per year. New law*

AMENDMENTS TO THE BANKING LAWS OF MISSISSIPPI - 1924

(Mrs. Bastedo's Synopsis)

Charters

Chapter 175, pp. 226-7. Amends 1922, Ch. 172, Sec. 29 (1914 Ch. 124, Sec. 31.)

In addition to requiring the capital stock to be paid up and that the bank has complied with all the requirements of the law, it is now also required that superintendent, governor and attorney general, or a majority of the 3 aforesaid officers, shall find that the public interest requires the organization of such bank.

Liquidation

Chapter 176, pp. 227-8. Amends 1922 Ch. 172, Sec. 34 (1914, Ch. 124, Sec. 36)

Sale of Assets to Another Bank Returns to banks closed liquidated
Instead of realizing on the assets of the bank and exhausting the double liability of the stockholders before "certifying all balances due on guaranteed deposits"

It is now provided "whenever it shall appear to the officer in charge of the bank that before realizing upon the assets of such bank and exhausting the double liability of its stockholders there will be an insufficient amount realized to pay guaranteed deposits. It also provides that depositors be paid from the Fund in order of Liquidation."

Attorneys

Chapter 173, p. 225 For the Banking Department.

Sec. 1. The superintendent of banks is authorized to employ an attorney for the banking department who must be at least 30 years of age and has been a practicing attorney and a citizen of the state for 5 years immediately preceding his employment.

Sec. 2. Such attorney to advise the superintendent upon loss relating to the banking department, represent the superintendent and the banking department in the courts, and do all legal work in connection with the liquidation of banks and such other duties as may be required of him in the administration of the department.

Sec. 3. Salary subject to the approval of the executive committee of the Bankers Association but not to exceed \$7,500 a year to be paid either out of the funds of banks in liquidation or out of the Guaranty or Maintenance Fund, provided for in Ch. 124, of the 1914 Laws.

Branch Banking

Chapter 174, p. 226. Amends 1922, Ch. 176. Original law 1906 - amended 1920
The "superintendent of banks" is substituted for the "board of bank examiners."

Checks drawn on insufficient funds
Chapter 172. Amends 1922, ch. 173.

AMENDMENTS TO THE BANKING LAWS OF MISSISSIPPI - 1926

(Mrs. Bastedo's Synopsis)

Department of Banking

Chapter 251, p. 363. Amends 1922, Ch. 172, Sec. 24. (1914 - Ch. 124, Sec. 23)

The minimum assessment is raised from \$30.00 to \$60.00 and is a flat rate, instead of a percentage. Banks, whose total assets exceed \$100,000 are to pay, in addition to the minimum assessment, 25¢ for every \$1,000 or fraction thereof, in addition to the \$100,000.

*This relates
minimum of
assessment
(not growth
fund)*

State Bank - Definition

Chapter 247, p. 361.

Banking corporations, operating under state law, may, without amending their charters, exercise authority to perform "all usual, proper and legitimate functions of trust companies; provides that any bank, whose charter merely authorizes general banking functions, must first receive the consent of the superintendent of banks.

New law

Articles of Incorporation

Chapter 250, p. 363. Amends 1922, Ch. 172, Sec. 28 (1914 - Ch. 124, Sec. 30)

The specific provision is made that the Articles of Incorporation need not be published.

Liquidation

Chapter 252, pp. 364-365. Amends 1924, Ch. 176 (1922, Ch. 172, Sec. 34, 1914, Ch. 124, Sec. 36)

Sale of Assets to another Bank

It provides that instead of the certificate of depositors bearing 6% interest to bear 4% interest, where no contract rate exists.

Deals with parties re closed banks liquidated

Instead of the amounts due the Guaranty Fund from the sale of the assets of the bank drawing 3% interest, they are to draw 4% interest.

Relation of Capital to Deposits

Chapter 249, p. 362. Amends 1920, Ch. 189 (1914, Ch. 124, Sec. 43)

It is unlawful for any guaranteed bank to receive and hold deposits for more than 15 months in excess of 10 times its paid-up capital and surplus. However, such bank may with the permission of the superintendent of banks hold deposits up to 15 times its capital and surplus. A duplicate copy of such written permission to be kept in the office of the superintendent of banks. The permission may be withdrawn upon 6 month's notice. Such liquidations do not apply to savings banks.

controversial

Violation of this section is a misdemeanor, subject to a fine of from \$500 to \$1,000.

Trust Companies

Chapter 247, p. 361

Banking corporations, operating under state law, may, without amending their charters, exercise authority to perform "all usual, proper and legitimate functions of trust companies; provides that any bank, whose charter merely authorizes the general banking functions, must first receive the consent of the superintendent of banks.

See above

*Department of county funds
Chap 248. Re Bulletin to Securing Department*

AMENDMENTS TO THE BANKING LAWS OF MISSISSIPPI - 1928

(Mrs. Bastedo's Synopsis)

Examiners

Chapter 93, pp. 138-9. Amends 1918 - Ch. 165, Sec. 70. *then added to 1914, ch. 12-1*
This matter is put into the hands of the superintendent of banks.
For further details see "superintendent of Banks."

Superintendent of Banks

Chapter 93, pp. 138-9. Amends 1918, Ch. 165, Sec. 70, *then added to 1914, ch. 12-4*

Sec. 1. The superintendent is given power, in his discretion, to employ special examiners, investigators, and agents as needed to audit and investigate the records of any state bank when he has reason to believe that there is a loss caused by someone's criminal actions. He also has power to employ "competent counsel" to assist in the prosecution of anyone charged with a criminal act which has caused loss to a state bank.

Sec. 2. The salary and expense of such special examiners, etc. and the fee of the special attorney may be paid out of the funds of the State Banking Department.

Bills Payable and Rediscounts

New Law

Chapter 94, p. 139

Sec. 1. State banks may not borrow or owe at any time a total amount in excess of 3 times its capital and surplus. But it is provided that the limit may be exceeded by a bank with the consent in writing of the superintendent of banks.

Sec. 2. Violation of this provision by a bank authorizes the State Banking Department to term it as a bank "being operated in violation of the law."

Sec. 3. This act is in no wise to impair the obligations of banks procuring loans in excess of this limit, and any bank having borrowed money in excess of this limit, prior to the passage of this act, is not to be considered acting in violation of the law with regard to such loans.

AMENDMENTS TO THE BANKING LAWS OF MISSISSIPPI - 1930

(Mrs. Bastedo's Synopsis)

The Fund

Chapter 22, Sec. 2, p. 24. Amends 1922 Ch. 172, Sec. 32 (1914 Ch. 122, Sec. 34) Initial Deposit

"Before receiving such certificate" is omitted.

For every \$100,000 or fraction thereof "its average unsecured deposits" is substituted for "deposits eligible for guaranty."

"Not less than \$500" is amended to read "not less than \$500, par value of such securities."

Beginning with the provisions for the assessments of 1/20 of 1%, the rest of the section is omitted containing all references to the initial payment of 1/20 of 1%.

NOTE: *By section 7 -*

This revision applies until all outstanding guaranty certificates as described in this act are liquidated and paid, at which time the laws shall be in full force and effect as before they were last amended.

Assessments

Chapter 22, Sec. 3, pp. 24-25. Amends 1922 Ch. 172, Sec. 33 (1914 Ch. 124, Sec. 35).

It is now written "average unsecured deposits" instead of "guaranteed deposits" and instead of the provision "until the fund accumulated reaches approximately \$500,000" it is now provided that four additional assessments of 1/20 of 1% (in addition to the January assessments) but not more than five such assessments can be made in any one year. These assessments to be made until a sufficient amount is realized together with the property and assessments in the hands of the state banking department to pay the outstanding guaranty certificates previously issued to depositors of failed guaranteed banks. The liability of the banks is limited to the unpaid assessments previously made. The "initial deposits" in the hands of the state treasurer is, as before, a security for these assessments.

The state treasurer, as before, is to credit the guaranty fund quarterly with its share of interest at the minimum rate provided by law.

Certificates are to be paid from the fund in the order in which the banks to whose depositors the certificates were issued were closed. But funds from the assets now in the department are first to be applied to any remaining certificates issued to depositors from the bank from which the assets were received.

By Sec. 8 NOTE: This revision applies until all outstanding guaranty certificates as described in this act are liquidated and paid, at which time the laws will be in full force and effect as before they were last amended.

(Amendments - 1930)

Liquidation

Ch. 22, Section 4, pp. 25-26. Amends 1926 Ch. 252, Sec. 1 (1924 - Ch. 176; 1922, Ch. 172, sec. 34; 1914, Ch. 124, Sec. 36.)

Sale of Assets to another bank

The provision for sale of the assets of a closed bank to a solvent bank is the same; the rest of the section dealing with liquidation and issuing of certificates is omitted.

NOTE: ^{By Sec. 8} This revision applies until all outstanding guaranty certificates as described in this act are liquidated and paid, at which time the laws shall be in full force and effect as before they were last amended.

The Fund - What it Covers

Ch. 22, Sec. 5, p. 26. Amends 1922, Ch. 172, Sec. 36. (1916, Ch. 207; 1914, Ch. 124, Sec. 38).

The fund now covers certificates legally issued "heretofore" to depositors ^{and those entitled to be issued} but which had not actually been drawn before this act goes into effect, and certificates legally issued for cashiers' checks and sight exchange drawn by failed banks previously to their failure, and such certificates due to have been so issued before this act takes effect. Each bank is to certify to the superintendent of banks at the date of each call the statement of the amount of money which is on deposit that is not in any wise secured and in assessing any bank this amount shall be deducted from the total deposits.

NOTE: ^{By Sec. 8} This revision applies until all outstanding guaranty certificates as described in this act are liquidated and paid, at which time the laws shall be in full force and effect as before they were last amended.

Interest

Ch. 22, Sec. 6, pp. 26-27. Amends 1922, ch. 172, Sec. 37 (1916 Ch. 207; 1914 Ch. 124, Sec. 39)

Instead of "each guaranteed bank and each state bank guaranteed by this act" it now reads "each state bank".

The provision for excepting contracts for higher rates of interest entered into before the act went into effect is omitted.

NOTE: ^{By Sec. 8} This revision applies until all outstanding guaranty certificates as described in this act are liquidated and paid, at which time the laws shall be in full force and effect as before they were last amended.

Depositors' Protection Fund

Ch. 22, Sec. 6A, p. 27.

For the purpose of protecting depositors in banks that may fail during the liquidation of the present guaranty deficit as provided under this act.

New
For entire section

(Amendments - 1930)

Each bank shall be assessed by the superintendent on December 31 each year beginning with 1930 3% on that part of its surplus exempt from taxation by this act. The rate of assessment not to be less than 3% unless the depositors protection fund shall exceed \$300,000 in which event the rate may be lowered so that it will produce a fund of \$300,000 and no more for any calendar year.

Section 6B, pp. 27-28.

New For entire section - see p. 5.

This fund to be applied to the payment of depositors for their respective losses through failed banks. If the fund is insufficient to take care of such losses then the application shall be determined on a pro rata basis in the proportion of the depositors individual losses (after liquidation of a failed bank carrying the deposit) to the total losses of all depositors. A deficit in the fund shall not be carried into any succeeding year. If a surplus is shown the surplus shall be carried to the succeeding year.

The superintendent of banks immediately upon taking charge of an insolvent bank is to issue non-interest bearing certificates.

Note: This revision applies until all outstanding guaranty certificates as described in this act are liquidated and paid, at which time the laws shall be in full force and effect as before they were last amended.

Surplus

Chapter 22, Section 9, pp. 28-29.

New

For the protection of its depositors the directors of each state bank shall before declaring a dividend carry 1/2 of its net profits of the preceding year to its surplus account until its surplus reaches at least 100% of its capital. The capital stock of such bank shall not be reduced pending the operation of this act.

Section 10, p. 29.

surplus up to 100 percent to be invested in New

How invested. In bonds of the United States, State of Mississippi, county, districts, and municipalities in the state of Mississippi.

An accurate record of the securities in which the surplus is invested to be kept by each bank.

It is the superintendent's duty to see that the provisions for this surplus are carried out and any violation makes the bank subject to liquidation.

Section 11, p. 29.

For entire section, see p. 5. New

Exemption. Provided they are complying with this law the surplus of state banks up to an amount equal to 100% of their capital is exempt from all taxation until the outstanding guaranty certificates are liquidated as herein provided.

It is provided that national banks complying with the provisions of this act shall be exempt in the same way as state banks.

(Amendments - 1930)

Nullification of Act, Provisions for

Chapter 22, Section 12, pp. 29-30.

It is provided that if for any reason any one of the following provisions should be declared null & void then all of the provisions of this act, reference to which are given below, are to become null & void and the bank guaranty act as it stood previously shall become in full force and effect:

The suspension of Membership in fund - 1914 - Ch. 124, Sec. 33, 45a & 46; and 1922 - Ch. 172, Sec. 31, 40, 41.

The amendments to:

The fund - Initial deposit - 1930 Ch. 22, Sec. 2, p. 24; 1922 - Ch. 172, Sec. 32; 1914 - Ch. 124, Sec. 134.

The Fund - Assessments - 1930 Ch. 22, Sec. 3; 1922 - Ch. 172, Sec. 33; 1914 - Ch. 124, Sec. 35.

Liquidation - 1930 - Ch. 22, Sec. 4, pp. 25-26; 1926 - Ch. 252, Sec. 1; 1924 - Ch. 176; 1922 - Ch. 172, Sec. 34; 1914 - Ch. 124, Sec. 36.

The Fund, What it Covers - 1930 - Ch. 22, Sec. 5; 1922-Ch. 172, Sec. 36; 1916 - Ch. 207; 1914 - Ch. 124, Sec. 38.

Interest Rates - 1930 - Ch. 22, Sec. 6 - pp. 26-27; 1922 - Ch. 172, Sec. 37; 1916 - Ch. 207; 1914 - Ch. 124, Sec. 39.

Depositors protection fund - 1930, Ch. 22, Sec. 6A, 6B.

Surplus - 1930 - Ch. 22, Sec. 9, 10, 11, pp. 28-29.

*Chap 22, Sect. 7. Amends 1914, Ch. 24, Sec. 44.
Re records. mostly appropriate change in wording with change of law re guaranty
Chap. 22, Sect. 8.
Provides that Secs. 2, 3, 4, 5, 6, & 7 will be in force only until related
guaranty certificates are liquidated.*

FROM 1930 AMENDMENTS TO BANKING LAWS - MISSISSIPPI

Provision regarding Depositors Protection Fund, Chapter 22

Assessment: Rate.

Sec. 6-A. That for the purpose of creating a Depositor's Protection Fund to be applied to the payment of depositors in such banks as may fail during the time required under this Act for liquidating its present guaranty deficit, each bank operating under this Act shall be assessed by the Superintendent of Banks on December 31st, of each calendar year, beginning December 31, 1930, three per cent on the part of its surplus, herein, by this Act, exempted from taxation; Provided that the rate of assessment, on the surplus exempted in this Act shall never, for any one calendar year, be less than three per cent, unless the depositor's Protection Fund so created by the assessment of three per cent shall exceed \$300,000.00 and in such event the rate of assessment may be lowered to such rate of assessment on the tax exempt surplus as will produce for the depositor's Protection Fund \$300,000.00 and no more for any calendar year.

Protection fund: How applied.

Sec. 6-B. That said depositor's Protection Fund for the year 1930 be applied to the payment of depositors in sums representing their respective losses through failed banks for that year. If said application of said fund is insufficient to take care of said losses to depositors in failed banks for the year 1930, then said application of said fund shall be determined on a pro rata basis, namely, each depositor of each bank operating under this Act and failing in the year 1930, and after this Act becomes effective, shall participate in said depositor's Protection Fund in the proportion that depositor's individual loss, after the liquidation of the failed bank carrying depositor's deposit, bears to the total losses of all depositors as determined and shown after the liquidation of each failed bank, for that year. If a deficit occurs in the depositor's Protection Fund for that year, said deficit shall not be carried into any succeeding year. If a surplus is shown, said surplus shall be carried into the succeeding year. It shall be the duty of the superintendent of Banks, immediately after taking charge of any insolvent bank, to issue non-interest bearing certificates to each depositor of each failed bank for the amount of the depositor's deposit entitled as now provided by law, to participate in the depositor's Protection Fund. Subsequent to the year 1930 the assessments for the depositor's Protection Fund are to be continued, to be made annually, until such time as outstanding or present guaranty certificates are paid in full, as provided in this Act, and each year's distribution or application of said depositor's Protection Fund shall be made in accordance with the plan set out in this Section for the year 1930.

Surplus exempt: Amount.

Sec. 11. Provided the surplus is invested as provided in the preceding section that to encourage banks to accumulate surplus and thereby better maintain themselves as public institutions and to justify the requirements that while operating as state banks they meet the assessment made by the State Banking Department from year to year to pay the outstanding guaranty certificates, the surplus of all state banks in an amount not exceeding one hundred per cent of their capital at the time of the passage of this act, or at the time of their organization if organized after the passage of this act, shall be exempt from all taxation until the outstanding guaranty certificates as described in this act are liquidated as herein provided, at which time such exemptions shall cease. In returning their property for taxation for the year 1930 and thereafter, so long as the bank pays the guaranty assessments as herein provided, each bank shall deduct such exempt surplus from the valuation of the shares of capital stock arrived at in the manner provided by Section 1 of Chapter 193 of the Laws of 1920, being Section 8203 of Hemingway's Code of 1927, for the purpose of fixing the valuation on which state, county and municipal taxes shall be paid; provided that where banks existing under the national laws comply with the provisions of this Act, the basis for the taxation of the shareholders thereof shall be the same as for state banks.

*Notes, Bonds were not sold
under this Law, Law was
re-written at extraordinary
session in 1931 - see photostat*

AN ACT for the protection of owners of guaranty certificates, by providing for the issuance and sale of bonds of the state banking department of Mississippi to pay for outstanding guaranty certificates.

To issue bonds.

SECTION 1. Be it enacted by the Legislature of the State of Mississippi, That the Superintendent of Banks of the State of Mississippi, together with the Bond Commission created by Chapter 116, Laws of Mississippi of 1926, and under the provisions of said Act insofar as not otherwise herein provided, shall have the power, and is hereby authorized to have prepared and to issue the bonds of the State Banking Department of the State of Mississippi in a total sum not to exceed the amount of the Guaranty Certificate of the State Banking Department outstanding and accumulated interest thereon, and for the prompt payment of said bonds at maturity, principal and interest, there is hereby irrevocably pledged and dedicated all the money which may be realized from the collection of assets of banks that failed prior to March 11, 1930 now being liquidated by the State Banking Department, together with all assessments and collections by the Superintendent of Banks under and by virtue of the statutes of the State of Mississippi providing for assessments on the unsecured deposits of State banks to secure funds with which to pay guaranty certificates outstanding, and the full faith and credit of the State of Mississippi are hereby irrevocably pledged to the payment of said bonds.

Bonds: Rate of interest: Denomination: Proceeds.

Sec. 2. Said bonds shall bear interest at the rate of four and one-half per cent ($4\frac{1}{2}\%$) per annum, payable annually. The said Superintendent of Banks and Bond Commission shall have the authority to fix the denominations in which said bonds shall be issued; to determine the amount which shall mature annually, and the amount of the final installment, which shall mature at a date not later than twenty years from the date of issuance. Said bonds shall be issued in series designated by letters of the alphabet, one series for each failed bank in liquidation, beginning with Series "A" for the bank longest in liquidation. The said Superintendent of Banks of the State of Mississippi, together with the Bond Commission created by Chapter 116, Laws of Mississippi of 1926, are authorized and directed to sell said bonds in the manner provided by law for the sale of bonds, but in no event shall said bonds be sold for less than par and accrued interest; the proceeds arising from the sale of said bonds to be deposited in the treasury of the State of Mississippi in a special fund to be denominated "Bank Guaranty Certificate Fund", and said funds can be paid to the parties entitled thereto only on certificate of the said Superintendent of Banks in the manner hereinafter provided. After said bonds have been issued and sold, and the proceeds of said sale deposited as above provided, those owning guaranty certificates shall have the right to surrender said certificates to the said Superintendent of Banks and receive from the said Superintendent of Banks an order upon the state treasury drawn on said "Bank Guaranty Certificate Fund", but not for a greater amount than the actual cost of such certificates to the holder thereof as of the date this act becomes effective, and after sufficient proof of such cost, but plus any accumulated and unpaid interest on such cost at four per cent (4%) per annum during the time such holder of such certificates was the actual owner of same. Said bonds shall be eligible to secure public deposits of the State of Mississippi and all county, municipal and other subdivisions thereof.

Assets of bankers in liquidation.

SEC. 3. Realization from the assets of each bank in liquidation shall be used for the purpose of paying the interest on and retiring the bonds of the series for such failed bank. If funds are available, then the Superintendent of Banks may purchase the bonds of such series on the market, but not at a greater price than par, and if no such bonds are offered for sale, the same may be called for payment on any interest date, notice of such call, signed by the Superintendent of Banks, being published once a week for three weeks prior to the date on which the bonds are called, in some newspaper published in the City of Jackson, and if the bonds called are not presented for payment, interest thereon accruing thereafter shall not be paid, and, likewise, should the assessment paid by the banks bring in funds more rapidly than needed to pay interest and maturing bonds, the next maturing bonds may in like manner be called for payment, and interest on such bonds shall cease from and after the date the bonds were called for payment, or, in his discretion, instead of calling bonds, the Superintendent may purchase at the best price obtainable, if offered at less than par, any of the outstanding bonds of any series.

Outstanding guaranty certificates must be registered.

SEC. 4. Upon the date this act becomes effective it shall be the duty of all owners and/or holders of any and all outstanding Guaranty Certificates to have registered the same in the office of the Superintendent of Banks of the State of Mississippi in a book to be provided for the purpose by the Banking Department; and where such a party offering to register any such outstanding Certificates, who is other than the original payee named in said Certificate, he shall be required to take oath, upon a form to be prescribed and furnished by the State Banking Department, stating the amount he paid for each such Certificate offered for registration, and giving the name of the person, firm or corporation from whom secured or if secured from the State Banking Department, together with a signed agreement, likewise on a form to be prescribed and furnished by the State Banking Department, that in the event all conditions herein prescribed are met, he agrees to accept in full for his equity in any and all such certificates issued to other than himself, as original payee, the amount he paid for each such certificate offered, plus four per cent (4%) during the time he owned such certificate, provided that the original payee named in each such certificate, and each succeeding purchaser, if any, of each such certificate shall likewise receive an amount equal to the difference between the amount paid by him and the amount received by him for such certificate, plus four per cent (4%) interest thereon, during the time he was the owner and holder of such certificate.

Provided that nothing in this act shall be construed to authorize the payment of more than par value and accrued interest at four per cent (4%) per annum for any such outstanding certificate.

Any person who shall make a false affidavit, or any false statement in the affidavit required to be made by the provisions of this section, shall be guilty of the crime of perjury.

Part of act unconstitutional not to affect whole act.

SEC. 5. If any clause, sentence or section hereof, shall be held to be unconstitutional, that shall not affect any other clause, sentence or section of this act.

*Became
chap 22
1930 laws*

When to take effect.

SEC. 6. That this act shall only take effect and be in force from and after the date that House Bill No. 131 of the 1930 Session of the Mississippi Legislature has been declared valid and constitutional by the Supreme Court of the State of Mississippi, or any other superior court which may take cognizance of same, and especially that provision of said House Bill No. 131, which provides that banks electing to secure the benefits and exemptions of House Bill No. 131 shall be specifically required to pay all assessments against them provided for in said House Bill No. 131, and also that the liability of said banks to pay said assessments shall be held to be valid, binding and continuing till all outstanding guaranty certificates are paid in full.

Approved May 31, 1930.

From General Laws - State of Mississippi - ~~Ordinary~~ Session 1931

CHAPTER 12

SENATE BILL NO. 29

AN ACT for the protection of owners of guaranty certificates by providing for the issuance and sale of bonds of the State of Mississippi to pay for outstanding guaranty certificates and repealing Chapter 269 of the Laws of 1930, and all laws in conflict herewith.

SECTION 1. *Be it enacted by the Legislature of the State of Mississippi,* That the Superintendent of Banks of the State of Mississippi, together with the Bond Commission created by Chapter 116, Laws of Mississippi, 1926, shall have the power, and is hereby authorized to have prepared and to issue the bonds of the State of Mississippi in a total sum not to exceed the amount of the guaranty certificates of the State Banking Department outstanding on the date of the issuance of said bonds and the accumulated interest thereon; and that the maximum amount of bonds to be issued under the provisions of this Act shall not be in excess of Five Million Dollars (\$5,000,000.00). For the prompt payment of said bonds at maturity, principal and interest, there is hereby irrevocably pledged and dedicated, all the money which may be realized from the collection of assets of banks that failed prior to March 11, 1930 now being liquidated by the State Banking Department, together with all assessments and collections by the Superintendent of Banks, under and by virtue of the statutes of the State of Mississippi providing for assessments on the unsecured deposits of the State banks to secure funds with which to pay guaranty certificates outstanding; and the full faith and credit of the State of Mississippi are hereby irrevocably pledged to the payment of the principal and interest of said bonds.

BONDS—RATE OF INTEREST—DENOMINATION—PROCEEDS.

SEC. 2. Said bonds shall be issued in the name of the State of Mississippi, and said bonds shall not sell below par, and shall bear interest at a rate to be determined by the Superintendent of Banks and the State Bond Commission, provided the interest on said bonds shall not exceed five and one-half (5½%) per cent; and said interest being payable semi-annually. The Superintendent of Banks and the Bond Commission shall also have the authority to fix the denominations in which said bonds shall be issued, and the maturity or maturities of said bonds, provided, however, that said bonds shall mature serially or otherwise within a period of not more than twenty years from their date. Said bonds shall be sold in the manner prescribed by the Superintendent of Banks and the

Bond Commission, and the proceeds arising from the sale thereof shall be deposited in the Treasury of the State of Mississippi in a special fund to be denominated "Bank Guaranty Certificate Fund", and the moneys in said fund shall be paid to the parties entitled thereto only on certificate of the Superintendent of Banks in the manner hereinafter provided. After said bonds have been issued and sold and the proceeds of said sale deposited, as above provided, those owning guaranty certificates shall have the right to surrender said certificates to the said Superintendent of Banks and to receive from the said Superintendent of Banks an order upon the State Treasury drawn on said "Bank Guaranty Certificate Fund", but not for a greater amount than the actual cost of said certificate or certificates to the holder thereof, and after sufficient proof of such cost, but plus any accumulated and unpaid interest on such cost at four (4%) per cent per annum during the time such holder of such certificate or certificates was the actual owner thereof. Bonds issued by this statute shall be eligible to secure public deposits of the State of Mississippi and all county, municipal and other subdivisions thereof.

ASSETS OF BANKS IN LIQUIDATION.

SEC. 3. Realization from the assets of all banks in liquidation shall be paid into a special fund established for the payment of the principal and interest of the bonds authorized by this statute, and shall be used solely for the purpose of paying the interest on said bonds and the principal thereof as the same mature. If funds are available, the Superintendent of Banks may, and whenever Twenty-five Thousand Dollars (\$25,000.00) or more is available, shall purchase the bonds authorized by this act in the market, but not at a greater price than par. The Superintendent of Banks and the Bond Commission may, in their discretion, reserve an option on the part of the State of Mississippi to redeem said bonds on any interest payment date, on or after such period, as the Superintendent of Banks and the Bond Commission may determine, at par, or at such premium or premiums as the Superintendent of Banks and the Bond Commission may deem expedient.

OUTSTANDING GUARANTY CERTIFICATES MUST BE REGISTERED.

SEC. 4. It shall be the duty of all owners and/or holders of any and all outstanding guaranty certificates to have the same registered in the office of the Superintendent of Banks of the State of Mississippi in a book provided for the purpose by

the State Banking Department, and where such a party offering to register any such outstanding certificates, who is other than the original payee named in said certificates, he shall be required to take oath, upon a form to be prescribed and furnished by the State Banking Department, stating the amount he paid for such certificate offered for registration and giving the name of the person, firm or corporation from whom secured, or is secured from the State Banking Department, together with a signed agreement, likewise on a form prescribed and furnished by the State Banking Department, that in the event all conditions herein prescribed are met, he agrees to accept in full, for his equity in any and all such certificates issued to other than himself, as original payee, the amount he paid for such certificate offered, plus four (4%) per cent per annum during the time he owned such certificate, provided that the original payee named in each such certificate and each succeeding purchaser, if any, of each such certificate shall likewise receive an amount equal to the difference between the amount paid by him and the amount received by him for such certificate, plus interest at the rate of four (4%) per cent thereon during the time he was the owner and holder of such certificate; provided that nothing in this act shall be construed to authorize the payment of more than par value and accrued interest at the rate of four (4%) per cent per annum for any such outstanding certificate. Any person who shall make a false affidavit, or any false statement in the affidavit required to be made by the provisions of this section, shall be guilty of the crime of perjury. Nothing in this act shall require the re-registration of guaranty certificates heretofore registered with the Superintendent of Banks under the provisions of Chapter 269, of the Laws of Mississippi, 1930. Part of act unconstitutional not to affect whole act.

SEC. 5. If any clause, sentence or section hereof shall be held to be unconstitutional, that shall not affect any other clause, sentence, or section of this act.

SEC. 6. Chapter 269 of the Laws of Mississippi, 1930 is hereby repealed.

SEC. 7. This act shall take effect and be in force from and after its passage.

Approved October 20th, 1931.

AMENDMENTS TO MISSISSIPPI BANKING LAWS AND GUARANTY PROVISIONS - 1931 and 1932
and 1934

1931 - Bond issue law to retire guaranty certificates revised and re-enacted.
See photostat.

1932 - Minimum capital stock (Chapter 282) ^{amending 1930 law} - raised to \$25,000 for all places under 6,000 population, except placed at \$15,000 for places with under 2,000 population and having no bank where public interest requires a bank.

- Chapter 301, amending ch. 22 of Laws of 1930, to permit capital ^{stock} reduction with approval of superintendent of banks, in case of banks that had suspended subsequent to July 1, 1930, provided not below one-tenth of total amount of unsecured deposits.

- Chapter 251. New Act. Provides for reopening of closed banks with court approval, when three-fourths of depositors and creditors, or holders of three-fourths of deposits and claims agree to reopening with "freezing-of-deposits" agreements spreading payments of such deposits and claims over a period of years.

- Chapter 336. New Act. Authorizes Superintendent of Banks, with approval of the Court of Chancellor, to negotiate loans on assets of the failed banks.

NOTE. No 1932 law relating to the deposit guaranty fund, or handling of obligations arising from deposit guaranty.

~~approved~~ April 2, 1934.

1934 - Chapter 116. ~~New~~ banking code, replacing 1914 law with all its amendments of subsequent years. Department of banking headed by Superintendent of Banks replaced by department of bank supervision headed by state comptroller. Portion of ^{the} law pertaining to the deposit guaranty system is as follows:

Bank guaranty laws repealed.

Sec. 116. That the state bank guaranty law is, in every particular repealed, and the annual assessment of one-fourth of one per cent of the bank's average unsecured deposits; the three per cent annual assessment on the bank's exempt surplus, and the requirement of depositing bonds with the state treasurer for a full compliance with the guaranty laws, are hereby repealed, and the state treasurer is authorized, empowered and directed to return to the several banking corporations bonds and other collateral heretofore deposited with said state treasurer.

Any funds now on hand or hereafter collected from any and all bank guaranty assessments heretofore imposed shall be deposited with the state treasurer and placed in the general funds of the state of Mississippi.

NOTE RE BANKS GUARANTEED
MISSISSIPPI

In the revision of the law in 1922, section 37,
amending Section 39 of the original law, the phrase
at the beginning of the section - originally reading

"Each guaranteed bank, and each state or private
bank not guaranteed by this act. - -" [shall pay out of
of interest paid
in deposit]
was changed to read:

"Each guaranteed bank, and each state bank not
guaranteed by this act. - -"

The omission of private banks is obviously due to the
incorporation of former private banks, as required in 1914.

But why was the reference to "each state bank not
guaranteed by this act" retained in view of the requirement in ^{sect. 45-46}
that after May 15, 1915, all state banks were
required ^{within 15 days} to apply for insurance. Penalty was to be same
as for failure to pay assessments - to be immediately examined
and if found to be insolvent to be liquidated; if found solvent
assessment for guaranty fund to be increased 50% and additional penalty of
\$50 a day that assessment is not paid.

Governor's Message Upon Passage of the Kyle Banking Bill
(Mississippi House Journal, 1914)

In his message the Governor brought out that this was a splendid law but thought it might be noteworthy to point out that, "...bank examiners are absolutely czars so far as the bank is concerned and have power to place any bank, solvent or insolvent in liquidation in the State, if they thought it should be done."

He recommended that a separate provision be passed to the effect that "if the bank examiners should undertake to liquidate any bank, and officers should not desire it, they should be permitted to file with the bank examiners a solvent bond for 25 percent greater than all their liabilities and obtain an injunction to prevent their liquidation, as it would be possible for examiners to liquidate a solvent bank."

III. lower Decisions

COURT DECISIONS- MISSISSIPPI DEPOSIT GUARANTY LAW - MENTIONED IN ARTICLE BY A. B. BUTTS, IN MISSISSIPPI LAW JOURNAL, NOVEMBER 1929

Note - case involving in re refer to in Mississippi state

Re Section 38 - defining what deposits are guaranteed

- ✓ ✓ Anderson et al., Bank Examiners, vs. Owen et al., 112 Miss. 476; 73 So. 286 ✓
- ✓ ✓ Anderson, State Bank Examiner, vs. Wilbourn, 114 Miss. 81; 74 So. 682
- ✓ ✓ Bank of Commerce et al. vs. Clark, Sheriff and Tax Collector, 114 Miss. 850; 75 So. 595
- ✓ ✓ Wardlaw, State Bank Examiner, vs. Planters Bank of Clarksdale et al, 131 Miss. 93; 95 So. 135 ✓
- ✓ ✓ Johnson, State Bank Examiner vs. Johnson, 134 Miss. 729; 99 So. 369 ✓
- ✓ ✓ Anderson, State Bank Examiner, vs. Yates et al, 138 Miss. 110; 99 Sp. 499 ✓
- ✓ ✓ E.F. Anderson, State Bank Examiner, vs. T. E. Gordon, 134 Miss. 639; 99 So. 501
- ✓ ✓ Anderson, State Bank Examiner vs. Bank of Tupelo, 100 So. 179
- ✓ ✓ Love. Supt. of Banks, vs. Murry, State Treasurer, 100 So. 277 ✓ *120 Miss 7-15*
- ✓ ✓ Pitts vs. Peoples Bank of Baldwin, 102 So. 279

Re Section 40 - withdrawal of bonds or money (initial deposit) in voluntary liquidation

- ✓ ✓ Mississippi Banking Department et al., vs. Adams, 102 So. 70

Re Constitutionality of the deposit guaranty law in Mississippi

- ✓ ✓ Bank of Oxford vs. Love et al., ~~111~~ Miss. 699; 72 So. 133 ✓
- ✓ ✓ Bank of Oxford et al. vs. Love et al, Bank Examiners of the State of Mississippi, 250 U.S. 603 ✓

UNITED STATES SUPREME COURT DECISION - Bank of Oxford vs. Love (from 250 U.S. 603) Submitted March 27, 1918... Decided November 10, 1919.

Constitutional law - impairing contract obligations - banking regulations

The obligation of the state's undertaking in a special act incorporating a bank, that "the business of said bank shall be confided to and controlled by its stockholders under such rules of laws and regulations as said company may see fit to adopt, provided the same be not in conflict with the Constitution of the United States or of this state," was not unconstitutionally impaired by the subsequent enactment of legislation providing for reasonable examinations and reports by duly authorized officers of the state banking department created by such legislation, and for the enforced annual contribution to the expenses of such department of 1/400 of 1 per cent of the bank's total assets.

Opinion by Mr. Justice McReynolds affirming action of the Mississippi State Supreme Court. In course of opinion it was noted that the Bank of Oxford was incorporated by a special act of the Mississippi approved March, 1872. At close of opinion:

"While the bill proceeds upon the theory that the bank's affairs are wholly exempt from interference by legislative direction, the only past or immediately probable wrongs adequately complained of are enforced contribution to expense of the banking department and threats by defendants to make examinations and reports. And we think it clear that no impairment of the corporate charter has or will result from reasonable examinations and reports by duly authorized officers and the small prescribed payments. It is unnecessary to consider other distinct provisions of the statute,

and, of course, we intimate no opinion concerning them."

- ✓ Abstract from Decennial Digests
- ✓ " " Southern Reporter
- ✓ " " Mississippi Reporter

(Abstracts in Southern Reporter are similar, but not identical)

DECISIONS OF THE MISSISSIPPI SUPREME COURT Vol. ~~112~~ - 1916

(See also references in Butts' article to court cases)

ANDERSON ET AL., BANK EXAMINERS, v. OWEN ET ALL.
(73 South. 286, Division B.)
112 Miss. 476

Banks and Banking. Insolvency. Claims. Guaranteed deposits.

On the insolvency of a bank the deposits of which are guaranteed under the state banking law (Laws 1914, chapter 124), a depositor has a claim for the full amount of his deposits, undiminished by a check against such deposits for sight exchange, on which sight exchange payment was refused on account of insolvency and liquidation proceedings of the bank, in the absence of proof by the liquidators that the sight exchange was in fact accepted as payment of the checks.

Emergency

ANDERSON, STATE BANK EXAMINER, v. BASKIN & WILBOURN, Vol. 114 - 1917
74 So. 682
114 Miss. 81
Apr. 9, 1917

Banks and Banking. Insolvency. Distribution of assets. Statute.

Under the Bank Guaranty Act, Laws 1914, Chapter 124, the general creditors are entitled to participate in the distribution of the assets of an insolvent bank along with depositors; the depositors being protected by the guaranty provisions of the act. *Enforce bank guaranty law, provided that under said 340 the act - all depositors claiming, paid by guaranty, and must be repaid first, and only if paid in full will other creditors have right to receive. See also section 3400 which provides that other part of law especially, sec. 60*

Emergency

WARDLAW, STATE BANK EXAMINER, v. PLANTERS' BANK OF CLARKSDALE et al.
(95 South. 135. In Banc. No. 22839.) Vol. 131 - 1922-23
131 Miss. 93.
Feb. 5, 1923

Banks and Banking. Municipality entitled to guaranty certificate from state banking department for funds deposited in insolvent bank not qualified as a depository "secured."

Where public funds of a municipality are deposited in a bank which has not qualified as a depository, as provided in Chapter 98 of Hemingway's Code, this deposit is not "Otherwise secured," as provided in section 3506 Hemingway's Code, and the municipality is entitled to a guaranty certificate from the state banking department, where the bank is being liquidated by this department.

Another bank which had received public funds and repositied them in the bank which became insolvent was entitled to guaranty certificate as ordinary depositor.
BANK OF OXFORD v. LOVE et al. June 19, 1916. 111 Miss. 699 72 So. 133

Emergency

The state banking act of 1914 (Laws 1914, c. 124), providing for the examination of banks and their liquidation in case of insolvency, or if they shall be doing business on less than the minimum capital allowed, etc. is an exercise of the police power and applies to a bank chartered by prior special act declaring that its business shall be confided to and controlled by the stockholders under such rules of law and requirements as the company may see fit to adopt, provided the same be not in conflict with the state and federal Constitutions, for, by chartering the bank, the Legislature could not waive its right to exercise the police power.

(NOTE. In this case there was no claim of unconstitutionality of law as such, only with respect to its applicability to a bank operating under a special charter. *Opinion* Cites various decisions respecting the police power, including U.S. Supreme Court decisions in Oklahoma and Nebraska. "Therefore, following the sound and safe conclusions reached in the foregoing authorities, we find the law to be that the police power of the state extends to the regulation of the banking business, and it cannot be surrendered by the Legislature. And we hold that the appellant, Bank of Oxford, conducting a banking business, is affected with a public use; that the act of 1914, reasonably regulating the conduct and affairs of banks, is within the police power of the state, and is valid; and that the rights

Emergency

No date of filing or opinion given - 7/22/16 133

and powers granted to the appellant bank by the Legislature are null and void, in so far as they conflict with the operation of the banking law of 1914." (p.135)

BANK OF COMMERCE et al. v. CLARK. June 4, 1917. 114 Miss. 850; 75 So. 595

Laws 1914, c. 124, sec. 38, as amended by laws 1916, c. 207, providing that all deposits not otherwise secured and all cashier's checks, certified checks, or sight exchange issued by banks operating under this law, shall be guaranteed by this act, did not repeal or destroy the purpose of and protection afforded by Code 1906, sec. 3485, providing that all money deposited in a bank or with any other depository, by or for a tax collector, or any other officer having the custody of public funds state, county, municipal, or levee board, whether the same be deposited in the name of the officer as an individual or as an officer, or in the name of any other person, is prima facie public money and a trust fund, and not liable to be taken by the general creditors of the officer or by the creditors of the depository.

The Depository Act (Acts 1908, c. 96, as amended by Laws 1910, c. 224), when put in operation, supercedes and annuls the security and protection of Code 1906, sec. 3485.

The fact that a tax collector accepted a private bond not authorized by law to secure a deposit made by him of the public funds in a bank did not affect the status of the deposit of the public funds as fixed and defined by Code 1906, sec. 3485.

JOHNSON, State Bank Examiner, v. JOHNSON. March 24, 1924. 134 Miss. 729
99 So. 369

...a special deposit of money, or money paid to the bank for the specific purpose of paying a note made payable at the bank by its terms, is guaranteed under the act, and such person so paying the money for such purpose is entitled to a certificate of guaranty where the bank is being liquidated by the state bank examiners.

ANDERSON, State Bank Examiner, v. YATES et al. April 7, 1924. 135 Miss. 110
99 So. 499

Where a time certificate of deposit is issued by the president of a bank who is in charge of the bank's affairs and, authorized to issue such certificates, in payment of the president's personal check drawn on such a bank, the holder of such check knowing nothing of the state of the president's account, but acting in good faith and by means of which transaction he loses title to cotton sold to the president and loses his legal rights to protect his interest by legal seizure and process, the transactions constitutes a "deposit" within the meaning of section 38, chapter 207, Laws of 1918...and is guaranteed under said act.

E.F. ANDERSON, State Bank Examiner, v. T.E. GORDON Apr 7, 1924. 134 Miss. 639
99 So. 501

No summary. Opinion states case is same as ANDERSON v YATES and decision same.

ANDERSON, State Bank Examiner v. BANK OF TUPELO. May 12, 1924. 135 Miss. 351
100 So. 179

A "cashier's check" is a bill of exchange drawn by a bank upon itself, and accepted by the act of issuance..... a cashier's check is guaranteed.

LOVE, Supt of Banks v. MURRY, State Treasurer. June 2, 1924. 135 Miss. 749
100 So. 277

Money belonging to the state, deposited in a bank which had not qualified as a state depository, is protected by the state bank guaranty fund.

DECISIONS MISSISSIPPI STATE SUPREME COURT

PITTS v. PEOPLE'S BANK OF BALDWIN Dec. 22, 1924. 137 Miss. 240; 102 So. 279

One who deposited funds at solicitation of person to whom bank had agreed to make loan if he could secure additional deposits, and received therefore certificates providing for payment of 4 per cent interest, and subsequently, in good faith, received a bonus, believing it to have been paid by such person, was not deprived of protection of State Guaranty Law....since in such case there was no agreement between depositor and bank for payment of more than 4 per cent.

Where certificates of deposit for one were surrendered, and certificates for following year, providing for payment of 4 per cent. interest were issued, the funds evidenced by the new certificates were within protection of State Guaranty Law, even if more than 4 per cent was received during preceding year...since the deposits for the two years did not constitute one continuous transaction.

MISSISSIPPI BANKING DEPARTMENT et al v. ADAMS Dec. 8, 1924. 127 Miss. 122
102 So. 70

When a bank...voluntarily liquidates and goes out of business, after having paid depositors in full, and paid all assessments made against it while it was doing business...its liquidating agent is entitled to recover from the state treasurer all bonds or money it has deposited with him under the provisions of these acts. [i.e. 1914 and 1916] Section 40 of this act is plain and unambiguous. (NOTE. Banking department had contended not entitled to return of bonds until liabilities of all guaranteed banks in liquidation had been paid in full--i.e. that in effect bank voluntarily liquidating responsible for its relative share of losses in all failed banks up to that time, even though assessments sufficient to cover such losses had not yet been made).

LOVE, STATE SUPERINTENDENT OF BANKS, v. CITIZENS' BANK AND TRUST CO. OF MARKS
Oct. 5, 1925. 140 Miss. 585, 105 So. 484

Though surety, which signed bank's bond as depository of country's public funds, has no authority to become such surety, deposits of such funds were thereby "otherwise secured" by reason of estoppel to deny liability to the country, so that aa. they were not guaranteed by the state bank guaranty fund, and the bank was not liable to assessment thereon, as "guaranteed deposits" for the benefit of such fund.

BOARD OF LEVEE COM'RS v. LOVE, SUPERINTENDENT OF BANKS ET AL, 147 Miss. 183
113 So. 335

Where a bank contracted with the levee board to become its depository and put up bonds and other marketable securities for part of the bond, and a personal bond signed by the bank and individual sureties, the deposits of the levee board are "otherwise secured"...and the bank guaranty fund may not be compelled to issue guaranty certificates for the funds not collected from the securities put up by the bank to the levee board.

Where a personal bond is given by a bank becoming a depository and is accepted by the levee board, it can recover from the bank and the sureties on its personal bond.

Where securities and bond are given and accepted by the levee board, and a bank becomes a depository, and funds are thus secured, a court will not construe the Bank Depository Guaranty Law to cover the balance due after exhausting the securities.

DECISIONS MISSISSIPPI STATE SUPREME COURT

CITY OF JACKSON v. DEPOSIT GUARANTY BANK & TRUST CO. March 23, 1931.
160 Miss. 752, 133 So. 195

Syllabus by the Court

1. State exempting surplus of banks from taxation until outstanding guaranty certificates are liquidated does not violate constitutional provisions prohibiting amendments by reference to title only.
2. General law may be suspended by another general law.
3. Statute suspending bank guaranty law until guaranty certificates are paid is general, and not prohibited by Constitution.
4. Law is "general" when it operates uniformly on all members of class of persons, places, or things requiring legislation peculiar to class dealt with.
5. Statute exempting surplus of banks from taxation until outstanding guaranty certificates are liquidated does not violate constitutional provision prohibiting special tax exemption laws.
6. Power of exemption from taxation is within legislative discretion, subject only to limitation that exemption shall not be arbitrary.
7. Only limitation upon legislative power to exempt property from taxation is that some principle of public policy must support presumption that public interest will be subserved by exemption, and classification of property exempted must be based on some real difference bearing proper relation to object sought to be accomplished.
8. Interpretation of constitutional provisions must not be too literal.
9. Statute exempting surplus of banks from taxation until outstanding guaranty certificates are liquidated does not violate constitutional provisions respecting uniformity of taxation.
10. Statute exempting surplus of banks from taxation until outstanding guaranty certificates are liquidated does not violate constitutional provision respecting taxation of banks and banking capital.
11. City could not raise point that statute was invalid because attempting to regulate national banks by state legislation.

Digests of Court Decisions bearing on the deposit guaranty law in Mississippi

From Second Decennial Digest, American Digest System, 1907 to 1916, vol. 3

Banks and Banking - Key 63, p. 1339; and key 85, p. 1366

(Miss. 1915) Code 1906, sec. 1169, as amended by Laws 1912, c. 211, punishing receiving of deposits in insolvent banks, is repealed by State Banking Law, par. 52. --State c. McLean, 68 So. 772; 109 Miss. 526.

(Miss. 1915) Indictment charging officers of an insolvent bank with receiving deposits in violation of Laws 1914, c. 124, sec. 52, must allege that they knew the bank to be insolvent. --State v. McLean, 68 So. 772; 109 Miss. 526

From Third Decennial Digest, 1916 to 1926, Vol. 4.

Banks and Banking - Key 15, pp. 445-446.

(Miss. 1916) Under the state banking law (Laws 1914, c. 124), a depositor has a claim on a bank's insolvency for the amount of his deposits, undiminished by a check for sight exchange, on which sight exchange payment was refused because of liquidation proceedings of the bank, in the absence of proof that the sight exchange was accepted as payment of the check. --Anderson v. Owen, 73 So. 286, 112 Miss. 476. ✓

(Miss 1917) Under Bank Guaranty Act, §§ 23, 24, 36, 38, 59 and 60, general creditors are entitled to participate with depositors in the distribution of the assets of an insolvent bank, the depositors being guaranteed by means of the guaranty fund. --Anderson v. Baskin & Wilbourn, 74 So. 682, 114 Miss. 81.

(Miss. 1923) Where the public funds of a municipality are deposited in a bank which had not been qualified as a depository under Hemingway's Code §§ 4191-4255, such deposit is not "otherwise secured" as provided by section 3596, and the municipality is entitled to a guaranty certificate from the state banking department, under Laws 1914, c. 124, 36, where the bank is being liquidated by this department. --Wardlaw v. Planters' Bank of Clarksdale, 95 So. 135, 131 Miss. 93. ✓

Where a bank redeposited county money in another bank, which subsequently failed, the depositing bank is entitled to receive from the state banking department its guaranty certificate. --Id.

(Miss. 1924) Under Hemingway's Code, § 3596 (Laws 1916, c. 207, § 38), providing that all deposits not otherwise secured, and all cashier's checks, certified checks, or sight exchange issued by banks operating under this law shall be guaranteed, the guaranty provided for not applying to a bank's obligation as indorser on bills rediscounted, nor to bills payable, nor to money borrowed from its correspondents or others, nor to deposits bearing a greater rate of interest than 4 per cent, per annum, a special deposit of money, or money paid to the bank for the specific purpose of paying a note made payable to the bank by its terms, is guaranteed under the act, and such person so paying the money for such purpose is entitled to a certificate of guaranty where the bank is being liquidated by the state bank examiners. --Johnson v. Johnson, 99 So. 369, 134 Miss. 729. ✓

(Miss. 1924) Where a time certificate of deposit is issued by the president of a bank, in charge of the bank's affairs and authorized to issue such certificates, in payment of the president's personal check drawn on such bank, the holder of such check knowing nothing of the state of the president's account in the bank, but acting in good faith and by means of which transaction he loses his legal rights to protect his interest by legal seizure and process, the transaction constitutes a "deposit" under Laws 1916, c. 207, § 38 (Hemingway's Code, § 3596), and is guaranteed under said act. --Anderson v. Yates, 99 So. 499; Anderson v. Gordon, 99 So. 501, 134 Miss. 639.

(Miss. 1924) Under Hemingway's Code, § 3596, a cashier's check is guaranteed. --Anderson v. Bank of Tupelo, 100 So. 179, 135 Miss. 351.

(Miss. 1924) Money belonging to the state, deposited in a bank which has not qualified as a state depository, is protected by the state bank guaranty fund. --Love v. Murry, 100 So. 277, 135 Miss. 749. ✓

(Miss. 1924) When bank organized under Laws 1914, c. 124, as amended by Laws 1916, c. 207, voluntarily liquidates after payment to depositors in full and payment of all assessments made under Hemingway's Code, 3598, its liquidating agent can recover from state treasurer all bonds or money deposited with him under such statutes.--Mississippi Banking Department v. Adams, 102 So. 70, 137 Miss. 122.

(Miss. 1924) One who deposited funds at solicitation of person to whom bank had agreed to make loan if he could secure additional deposits and received therefor certificates providing for payment of 4 per cent, interest, and subsequently, in good faith, received a bonus, believing it to have been paid by such person, was not deprived of protection of State Guaranty Law, Hemingway's Code, 3596, excepting from protection thereof deposits bearing greater rate of interest than 4 per cent, since in such case there was no agreement between depositor and bank for payment of more than 4 per cent interest. --Pitts v. People's Bank of Baldwin, 102 So. 279, 137 Miss. 240.

Where certificates of deposit for one year were surrendered, and certificates for following year, providing for payment of 4 per cent, interest were issued, the funds evidenced by the new certificates were within protection of State Guaranty Law, even if more than 4 per cent. was received during preceding year, in violation of Hemingway's Code, § 3596, since the deposits for the two years did not constitute one continuous transaction.--Id.

(Miss. 1925) Though surety, which signed bank's bond as depository of county's public funds, had no authority to become such surety, deposits of such funds were thereby "otherwise secured" by reason of estoppel to deny liability to the county, so that under Hemingway's Code, § 3596, and Hemingway's Code Supp. 1921, 3593, they were not guaranteed by the state bank guaranty fund, and the bank was not liable to assessment thereon, as "guaranteed deposits" for the benefit of such fund.--Love v. Citizens' Bank & Trust Co. of Marks, 105 So. 484, 140 Miss. 585.

Banks and Banking - Key 44, p. 473

(Miss. 1918) Laws 1914, c. 124, sec. 59, increasing liability of stockholder of bank to extent of par value of his stock, but at the same time guaranteeing payment of depositors by state, cannot be said to do stockholders an "injustice" under Const. 1890, par. 178.--Pate v. Bank of Newton, 77 So. 601; 116 Miss. 666.

Laws 1914, c. 124, sec. 59, increasing liability of stockholders of banks, imposes liability upon stockholders of banks incorporated before or after its passage, but only as to deposits actually made after its passage.--Id.

Banks and Banking - Key 47 (2) - page 477.

(Miss. 1924) Under Hemingway's Code, sec. 3619, stockholders double liability accrues and is fixed at full amount of stock when bank is put in liquidation, and it is reasonably apparent that assets will not pay depositors.--Board of Bank Examiners v. Granada Bank, 99 So. 903; 135 Miss. 242.

Banks and Banking - Key 4, Constitutional and statutory provisions. p. 439

(U.S. Sup. Miss. 1919) Act of Mississippi of March 9, 1914 (Laws 1914, c. 124) held valid.--Bank of Oxford v. Love, 40 S. Ct. 22, 250 O.S. 603, 63 L. Ed. 1165, affirming judgment 72 So. 133, 111 Miss. 699, 8 A.L.R. 894.

(NOTE. No abstract appears in either the Second Decennial Digest nor the Third Decennial Digest of the Mississippi Supreme Court decision, which was rendered on June 19, 1916)

NOTE

For selection of the abstracts quoted above from the Second and Third Decennial Digests, the entire sections relating to Banks and Banking have been scanned, and all Mississippi cases read. The great majority of the cases read are omitted. Such cases include most of those referring specifically to laws enacted prior to 1914, and cases relating to such subjects as the following without a specific reference to the law of 1914, or an indication that that law was involved in other than application to specific ~~cases~~ circumstances ~~and~~ not involving any general principles of interpretation: bank directors' or officers' liability; special deposits or trust funds; particular items in receivership cases; protest and collection practices; handling of drafts.

ad in next page from Fourth Decennial Digest

Banks and Banking - Key 4 - Constitutional and statutory provisions - p. 790

Miss. 1931. State bank guaranty statute providing for issuance of noninterest-bearing guaranty certificates held valid (Laws 1930, c. 22).... Love v. Mangum, 135 So. 223, 160 Miss. 590. *NOTE Case under Depositor Protection Fund - bank failed 1928/1930,*

- Key 15- Safety funds and deposits of securities - p. 796

Miss 1927. Deposits secured by marketable securities and personal bond are "otherwise secured" under statute, and issuance of guaranty certificates for funds not collected from securities may not be compelled... Board of Levee Com's v. Love, 113 So. 335, 147 Miss. 183.

Bank Depository Guaranty Law does not cover balance due after exhausting securities given by depository to secure deposits. (same case).

- Key 44 p. 833

Miss. 1929. Law imposing liability on stockholders of insolvent bank must be strictly construed. Mellott v. Love. 119 So. 913, 152 Miss. 860.

- Key 47 (1) p. 843.

Miss. 1926. Stockholder of insolvent bank regularly coming under guaranteed deposit law, though without his knowledge, is subject to double liability. ... Stockholder of insolvent bank is liable for interest from time demand is made on him for double liability. Kent v. Love, 106 So. 772, 141 Miss. 523.

- Key 85 (2) pp. 1183 and 1184

Miss. 1930. Statements to depositors of banking department officers that bank was solvent held competent to show bank officer's good faith in receiving deposits. To sustain conviction for receiving deposit in insolvent bank, proof must show defendant knew or had good reason to believe bank was insolvent. In prosecution for receiving deposit when bank was insolvent, inquiry relates to bank's solvency when deposit was received. Facts learned while administering insolvent bank's affairs must relate back to date of deposit to sustain conviction for receiving deposits after insolvency. McCraine v. State, 130 So. 295, 158 Miss. 156.

Miss. 1933. In prosecution of banker for receiving money on deposit knowing bank was insolvent, state's evidence that assets consisting of deposit certificates issued under deposit guaranty law were worth much less than face value held improperly excluded, notwithstanding statute authorizing issuance of bonds to pay outstanding certificates, where such bonds had not been sold--State v. Johnson, 148 So. 389, 166 Miss. 591.

IV. Report by
Banking Department