

## CHAP. CXIX.

## An Act to incorporate the President, Directors and Company of the American Bank.

SEC. 1. **BE** it enacted by the Senate and House of Representatives, in General Court assembled, and by the authority of the same, That Ralph Huntington, Sherman Leland, Joseph B. Henshaw, Samuel D. Harris, Charles F. Kupfer, Elijah D. Harris, Samuel F. Coolidge and William Whitney, their associates, successors and assigns, shall be and hereby are created a Corporation, by the name of the President, Directors and Company of the American Bank, and shall so continue from the third Wednesday in April next, until the first Monday of October, which will be in the year of our Lord one thousand eight hundred and thirty-one; and the said corporation shall be always subject to the rules, restrictions, limitations, taxes and provisions, and be entitled to the same privileges and immunities, which are contained in an act, entitled "an act to incorporate the President, Directors and Company of the State Bank," except in so far as the same are modified or altered by this act, as fully and effectually as if the several sections of said act were herein specially recited and enacted: *Provided however*, That the amount of bills issued from said bank at any one time, shall not exceed fifty per centum beyond the amount of the capital stock actually paid in.

SEC. 2. *Be it further enacted*, That the Capital Stock of said Corporation shall consist of the sum of five hundred thousand dollars in gold or silver, to be, besides such part as the Commonwealth may subscribe in manner herein after mentioned, divided into shares of one hundred dollars each, which shall be paid in manner following, that is to say, one fourth part thereof, on or before the fourth day of May next, one fourth part thereof on or before the first day of August next, one fourth part thereof on or be-

fore the first day of November next, and the residue on or before the first day of February next, and no dividend shall be declared on the Capital Stock of said bank until the whole of the said Stock shall have been paid in, conformably to the provisions of this act; and the Stockholders at their first meeting shall, by a majority of votes, determine the mode of transferring and disposing of said Stock and the profits thereof, which being entered on the books of said Corporation, shall be binding on the Stockholders, their successors and assigns, until they shall otherwise determine; and the said Corporation are hereby made capable in law, to have, hold, purchase, receive, possess, enjoy and retain to them, their successors and assigns, lands, tenements and hereditaments, to the amount of fifty thousand dollars, and no more at any one time, with the power to bargain, sell, dispose and convey the same by deed under the seal of said Corporation, and signed by the President and two of the Directors, and to loan and negotiate their monies and effects by discounting on banking principles, on such security as they may think advisable: *Provided however,* That nothing herein contained shall restrain or prevent said Corporation from taking and holding real estate in mortgage or on execution, to any amount, as security for, or in payment of any debts due to the said Corporation: *And provided further,* That no monies shall be loaned or discounts made, nor shall any bills or promissory notes be issued from said bank, until the capital subscribed and actually paid in, and existing in gold and silver in their vaults, shall amount to one hundred and twenty five thousand dollars; nor until said capital stock actually in said vaults shall have been inspected, and examined by three Commissioners to be appointed by the Governor for that purpose, whose duty it shall be, at the expense of the Corporation, to examine the monies actually existing in said vaults, and to ascertain by the oath of the Directors, of said bank, or a majority of them, that said Capital Stock hath been bona-fide paid in by the Stockholders of said bank, and towards payment of their respective shares, and

Transfer of stock

May hold estate.

Loans

Proviso.

Issue of notes.

Duties of Commissioners.

not for any other purpose; and that it is intended therein to remain as a part of said capital, and to return a certificate thereof to the Governor. And no Stockholder shall be allowed to borrow any money at said Bank until he shall have paid in his full proportion of the whole of said Capital Stock, as herein before provided and required.

Loans to  
Stockholders.

SEC. 3. *Be it further enacted*, That the said bank shall be established and kept in Boston.

SEC. 4. *Be it further enacted*, That whenever the Legislature shall require it, the said Corporation shall loan to the Commonwealth any sum of money which shall be required, not exceeding ten per centum of the Capital Stock actually paid in at any one time, reimbursable by five annual instalments, or any shorter time, at the election of the Commonwealth, with the annual payment of interest, at a rate not exceeding five per centum per annum: *Provided however*, That the Commonwealth shall not stand indebted to the said Corporation without their consent for a larger sum than twenty per centum of their Capital Stock then paid in.

Loans to the  
State.

SEC. 5. *Be it further enacted*, That the persons herein before named, or any three of them, are authorized to call a meeting of the members and Stockholders of said Corporation as soon as may be, and at such time and place as they may see fit to appoint, by advertising the same in any two of the newspapers printed in Boston, for the purpose of making, ordaining and establishing such by-laws and regulations for the orderly conducting the affairs of said Corporation, as the Stockholders shall deem necessary, and the choice of the first Board of Directors and of such other officers as they shall see fit to choose.

Call of Meeting.

SEC. 6. *Be it further enacted*, That the Commonwealth shall have a right when ever the Legislature shall make provision therefor by law, to subscribe on account of the Commonwealth, a sum not exceeding two hundred and fifty thousand dollars, to be added to the Capital Stock of said Corporation, subject to such rules, regulations, and provisions, as to the

Right of State  
to hold stock.

management thereof as shall be by the Legislature made and established.

Right of State to  
appoint Directors

SEC. 7. *Be it further enacted*, That whenever the Commonwealth shall subscribe to the capital Stock of said Corporation in manner herein before provided for, in addition to the Directors by law to be chosen by the Stockholders, the Legislature shall have a right from time to time to appoint a number of Directors to said Bank, in proportion as the sum paid from the Treasury of the Commonwealth, shall be to the whole amount of Stock actually paid into said Bank, if at any time hereafter they shall see fit to exercise that right.

Bond of Cashier.

SEC. 8. *Be it further enacted*, That the Cashier before he enters on the duties of his office, shall give bond with sureties to the satisfaction of the Board of Directors in a sum not less than fifty thousand dollars, with conditions for the faithful discharge of his office.

State Tax.

SEC. 9. *Be it further enacted*, That the said Corporation from and after the first day of October next, shall pay by way of tax to the Treasurer of this Commonwealth, for the use of the same, within ten days after the first Monday of October, and April, annually, the half of one per centum on the amount of Stock which shall have actually been paid.

Altered Notes.

SEC. 10. *Be it further enacted*, That the said Corporation shall be liable to pay to any bona fide holder the original amount of any note of said Bank, counterfeited or altered in the course of its circulation to a larger amount, notwithstanding such alteration.

SEC. 11. *Be it further enacted*, That the Capital Stock of said Bank shall not be sold or transferred, but shall be holden by the original subscribers there-to for and during the period of one year from the time of passing this act; and in case the same shall not be put into operation according to the provisions thereof within the year aforesaid, it shall be void.

[Approved by the Governor, February 20th, 1824.]