

SENATE No. 445

The Commonwealth of Massachusetts

SENATE, April 15, 1943.

The committee on Bills in the Third Reading to which was referred the House Bills entitled "An Act relative to special meetings, methods of amending by-laws and dividends of the Co-operative Central Bank" (House, No. 1302); and "An Act relative to the method of voting by member banks of the Co-operative Central Bank" (House, No. 1323); reports recommending that the same be consolidated by substituting therefor a new draft entitled "An Act amending the law relative to the Co-operative Central Bank" (Senate, No. 445), and that, when so amended, the same will be correctly drawn.

For the committee,

NEWLAND H. HOLMES.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Forty-Three.

AN ACT AMENDING THE LAW RELATIVE TO THE CO-OPERATIVE CENTRAL BANK.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter forty-five of the acts of nine-
2 teen hundred and thirty-two is hereby amended by
3 striking out section two and inserting in place thereof
4 the following section:—

5 *Section 2.* There shall be a board of twelve
6 directors of the central bank, who shall be elected
7 by the member banks in the manner hereinafter
8 provided and shall be divided into three equal groups.
9 Of the directors first elected hereunder, one group
10 shall be elected and hold office until the annual
11 meeting to be held in nineteen hundred and thirty-
12 two, one group shall be elected and hold office until
13 the annual meeting to be held in nineteen hundred
14 and thirty-three, and one group shall be elected and
15 hold office until the annual meeting to be held in
16 nineteen hundred and thirty-four; and their suc-
17 cessors, except in case of vacancies, shall be elected
18 for terms of three years. Directors so elected to
19 fill vacancies shall be elected for the unexpired terms.
20 All directors shall be sworn and hold office until their
21 successors are qualified. If a person elected does not,
22 within thirty days thereafter, take the oath, his office

23 shall thereupon become vacant. The directors shall
24 fill any vacancies on the board until the next annual
25 meeting. At all meetings of the directors seven
26 members shall constitute a quorum, but a lesser
27 number may adjourn from time to time. The board
28 of directors shall from time to time adopt such rules
29 and regulations as they may deem necessary to effect
30 the purposes of this act. The central bank, by a vote
31 of two thirds of the delegates of the member banks
32 present and voting, may from time to time adopt
33 such by-laws and amendments thereto as may be
34 necessary to effect such purposes. Such by-laws
35 and any amendments thereto shall not become
36 effective until they shall have been approved by
37 the commissioner of banks, hereinafter called the
38 commissioner.

39 In the election of directors, and in voting on any
40 other matter legally to come before a meeting, each
41 member bank, by a delegate authorized by its board
42 of directors, shall have one vote; provided, that such
43 delegate shall not vote on behalf of more than one
44 member bank. A majority of the votes so cast shall
45 elect directors.

1 SECTION 2. Section five of said chapter forty-
2 five is hereby amended by adding at the end the two
3 following paragraphs: —

4 The clerk of the central bank shall call a special
5 meeting of such bank if requested in writing so to
6 do by twenty or more member banks. The request
7 of each of such banks shall be signed by a duly au-
8 thorized officer thereof, shall state the proposed pur-
9 poses and proposed time and place of the meeting,
10 and shall be given to said clerk at least forty-five
11 days before the proposed time of the meeting. The

12 call for such meeting shall state the time, place,
13 and purpose or purposes thereof and shall be mailed
14 to each member bank at its place of business at least
15 thirty days before the date of the meeting. If any
16 of the purposes of the meeting is to adopt an amend-
17 ment to the by-laws such request and the call for the
18 meeting shall contain notice of the proposed amend-
19 ment and a copy thereof. Notwithstanding the fore-
20 going, special meetings may be called by the clerk
21 at the request of the directors if and as provided by
22 the by-laws of the central bank.

23 If requests from twenty or more member banks for
24 the adoption of an amendment to the by-laws at an
25 annual meeting, containing a copy of the proposed
26 amendment, are presented to said clerk on or before
27 July fifteenth preceding such meeting, the call for
28 such meeting shall include notice of such proposed
29 amendment and a copy thereof.

1 SECTION 3. Chapter forty-five is hereby further
2 amended by striking out section eight and inserting
3 in place thereof the following section: —

4 *Section 8.* Dividends may be declared from the
5 earnings of the central bank after the payment of
6 all expenses and shall be distributed to member
7 banks semi-annually, equally and ratably as deter-
8 mined by the board of directors of the central bank.

9 A surplus account may be accumulated and divi-
10 dends declared therefrom in the discretion of the
11 directors.

1 SECTION 4. All provisions of the by-laws of The
2 Co-operative Central Bank in effect on the effective
3 date of this act shall continue in force until annulled
4 or amended in accordance with this act.