

HOUSE No. 448.

Commonwealth of Massachusetts.

In the Year One Thousand Eight Hundred and Seventy-Four.

AN ACT

To amend an Act to incorporate the Boston Safe Deposit Company.

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

1 SECT. 1. The corporate name of the "Boston
2 Safe Deposit Company" is changed to the "Boston
3 Safe Deposit and Trust Company."

1 SECT. 2. Said corporation may act as agent
2 for the purpose of issuing, registering, or counter-
3 signing the certificates of stock, bonds or other
4 evidences of indebtedness of any corporation, as-
5 sociation, municipality, state or public authority,
6 on such terms as may be agreed upon.

1 SECT. 3. Any court of law or of equity, includ-
2 ing courts of probate and insolvency of this state,

3 may, by decree or otherwise, direct any moneys or
4 properties under its control, or that may be paid
5 into court by parties to any legal proceedings, or
6 which may be brought into court by reason of
7 any order or judgment in equity or otherwise, to
8 be deposited with said corporation, upon such
9 terms and subject to such instructions as may be
10 deemed expedient: *provided, however*, that said
11 corporation shall not be required to assume or
12 execute any trust without its own assent. Said
13 corporation shall also have power to receive and
14 hold moneys or property in trust or on deposit
15 from executors, administrators, assignees, guar-
16 dians, trustees, corporations or individuals, upon
17 such terms and conditions as may be obtained or
18 agreed upon; and such deposits or transfers of
19 property in trust, when so made by such courts
20 or persons, shall be taken to be a lawful invest-
21 ment and disposition thereof.

1 SECT. 4. Said corporation may be appointed
2 trustee under any will or trust agreement by any
3 court having authority, or to be executor, adminis-
4 trator or guardian for the care and management
5 of property under the same circumstances, in the
6 same manner and subject to the same control by
7 the court as in the case of a natural person.
8 And the capital stock of said corporation may be
9 taken as the sufficient security required by law
10 for the discharge of such fiduciary duties. In
11 all proceedings in the probate court or elsewhere
12 connected with any trust committed to said cor-

13 poration, all accounts, returns and other papers
14 may be signed and sworn to on behalf of said cor-
15 poration by the president, treasurer or actuary, and
16 the answers and examination, under oath, of such
17 officer, shall be received as the answers and
18 examination of the corporation, and the court
19 may order and compel said officers to attend
20 and be examined in the same manner as if they
21 were a party to the proceeding or inquiry in-
22 stead of the corporation: *provided, however*, that
23 said corporation shall not be required to receive
24 any money or property, or to assume or execute
25 any trust without its own assent.

1 SECT. 5. All moneys or properties received
2 under the third or fourth sections of this act, un-
3 less by the terms of the trust some other mode of
4 investment is prescribed, together with the capital
5 of the corporation, shall be loaned on or invested
6 only in the authorized loans of the United States,
7 or of any of the New England states, or of cities
8 of such states, or counties or towns of this state,
9 or stocks of state or national banks organized
10 within this Commonwealth, or the first mortgage
11 bonds of any railroad company incorporated by
12 any of the New England states which has earned
13 and paid regular dividends on its stock for two
14 years next preceding such loan or investment, or
15 the bonds of any such railroad company which is
16 unincumbered by mortgage, or first mortgages on
17 real estate within this Commonwealth, or upon
18 notes of manufacturing corporations created under

19 the laws of this Commonwealth, with two sureties,
20 or of individuals with a sufficient pledge of any of
21 the aforesaid securities, or in any securities in
22 which savings banks of this state are allowed to
23 invest, or may be loaned to the Commonwealth or
24 to any county, city or town therein; but all real
25 estate acquired by foreclosure of mortgage, or by
26 levy of execution, shall be sold at public auction
27 within two years thereafter.

1 SECT. 6. All money or property held in trust
2 under the third and fourth sections shall constitute
3 a special deposit, and the accounts thereof shall
4 be kept separate, and such funds, and the invest-
5 ments or loans of them, shall be specially appro-
6 priated to the security and payment of such de-
7 posits, and not be subject to any other liabilities
8 of the corporation; and for the purpose of secur-
9 ing the observance of this proviso, said corpora-
10 tion shall have a trust department, in which all
11 business pertaining to such trust property shall be
12 kept separate and distinct from its general busi-
13 ness.

1 SECT. 7. Said corporation shall at all times
2 have on hand, in lawful money of the United
3 States, as a reserve, an amount equal to fifteen
4 per centum of all deposits payable on demand,
5 or within ten days; and when said reserve shall
6 be below such per centum of such deposits,
7 said company shall not make new loans nor
8 make any dividend of its profits until the re-

9 quired proportion between the aggregate amount
10 of its deposits and its reserve shall be restored:
11 *provided*, that clearing-house certificates repre-
12 senting specie or lawful money specially deposited
13 for the purpose of any clearing-house association
14 of which said corporation may be a member,
15 may be reckoned as a part of said reserve: *pro-*
16 *vided, further*, that one-third of said fifteen
17 per centum may consist of balances due and
18 payable on demand from any national bank in
19 this Commonwealth, which has been approved
20 by the commissioner of savings banks, and one
21 other third of said fifteen per centum may con-
22 sist of bonds of the United States or of this Com-
23 monwealth, the absolute property of said corpora-
24 tion.

1 SECT. 8. Said corporation shall semi-annu-
2 ally make a return to the commissioner of
3 savings banks in this Commonwealth on the
4 second Mondays of May and November, and at
5 two other times during the year when said com-
6 missioner shall from time to time by written notice
7 direct the same to be made, which shall be signed
8 and sworn to by a majority of its board of direct-
9 ors; and said return shall specify the following,
10 namely: capital stock; amount of all moneys and
11 property, in detail, in the possession or charge of
12 said company as deposits, trust funds or for pur-
13 poses of investment; number of depositors; invest-
14 ments in authorized loans of the United States or

15 any of the New England states or cities or coun-
16 ties or towns, stating amount in each; invested in
17 bank stock, stating amount in each; invested in
18 railroad stock, stating amount in each; invested in
19 railroad bonds, stating amount in each; loans on
20 notes of corporations; loans on notes of individ-
21 uals; loans on mortgage of real estate; cash on
22 hand, all as existing at date of making of
23 such return, with the rate, amount and date of
24 dividends since last return; and the commissioner
25 of savings banks shall have access to the vaults,
26 books and papers of the company, and it shall be
27 his duty to inspect, examine and inquire into its
28 affairs, and to take proceedings in regard to them
29 in the same manner and to the same extent as if
30 such corporation were a savings bank, subject to
31 all the laws which now are or hereafter may be
32 in force, relating to such institutions in this
33 regard. An abstract of each such report, show-
34 ing the resources and liabilities of the corpo-
35 ration, in a form to be approved by said commis-
36 sioner, shall be published in a newspaper pub-
37 lished in the city of Boston, to be designated by
38 said commissioner, at the expense of said corpo-
39 ration.

1 SECT. 9. Said corporation shall be subject
2 to the provisions of chapter two hundred and
3 eighty-three of the acts of the year eighteen hun-
4 dred and sixty-five, and any acts now existing, or
5 which may hereafter be passed in amendment or
6 lieu thereof.

1 SECT. 10. Said corporation shall annually,
2 between the first and tenth days of May, return to
3 the tax commissioner a true statement, attested
4 by the oath of the president, treasurer or
5 actuary of the corporation, of all personal
6 property held upon any trust on the first
7 day of May, which would be taxable if held by
8 an individual trustee residing in this Common-
9 wealth, and the name of every city and town in this
10 Commonwealth where any beneficiary resided on
11 said day, and the aggregate amount of such prop-
12 erty then held for all beneficiaries resident in each
13 of such cities and towns, and also the aggregate
14 amount held for beneficiaries not resident in this
15 Commonwealth, under the pains and penalties pro-
16 vided in section fourteen of chapter two hundred
17 and eighty-three of the acts of the year eighteen
18 hundred and sixty-five, and acts in amendment
19 thereof, for corporations failing to make the re-
20 turns provided in said act. Said corporation
21 shall annually pay to the treasurer of the Com-
22 monwealth a sum to be ascertained by assess-
23 ment of the tax commissioner, upon an amount
24 equal to the total value of such property, at the
25 rate ascertained and determined by him, under
26 section five of chapter two hundred and eighty-
27 three of the acts of the year eighteen hundred and
28 sixty-five, and acts in amendment thereof.

1 SECT. 11. Said corporation shall also annu-
2 ally, between the first and tenth days of May, re-
3 turn to the tax commissioner a true statement,

4 verified by the oath of the president and treas-
5 urer or actuary of the corporation, of the
6 amount of all sums deposited with it on
7 interest or for investment, other than those
8 specified in the eleventh and fourteenth sections of
9 this act, together with the name of every city and
10 town in this Commonwealth where any beneficiary
11 owner resided on said first day of May, and the
12 aggregate amount of such deposits then held for
13 the benefit of persons residing in each of such
14 cities and towns, under a like penalty. Said
15 corporation shall annually pay to the treasurer of
16 the Commonwealth a sum to be ascertained by
17 assessment of the tax commissioner upon an
18 amount equal to the total value of such deposits at
19 three-fourths of the rate ascertained and deter-
20 mined by him, under section five of chapter two
21 hundred and eighty-three of the acts of the year
22 eighteen hundred and sixty-five, and acts in
23 amendment thereof.

1 SECT. 12. No taxes shall be assessed in any
2 city or town for state, county or town purposes,
3 upon or in respect of any such property held in
4 trust or any such amounts deposited on interest
5 or for investment, as are specified in the two pre-
6 ceding sections; but such proportion of the sum
7 so paid by said corporation as corresponds to the
8 amount of such property held for beneficiaries or
9 payable to persons resident in this Commonwealth,
10 shall be credited and paid to the several cities and
11 towns where it appears from the returns or other

12 evidence that such beneficiaries resided on the
13 first day of May next preceding, according to the
14 aggregate amount so held for beneficiaries and
15 persons residing in such cities and towns respec-
16 tively; and in regard to such sums so to be
17 assessed and paid as aforesaid, said corporation
18 shall be subject to sections eleven, twelve, thirteen,
19 the last paragraph of section fifteen, and section
20 seventeen of chapter two hundred and eighty-
21 three of the acts of the year eighteen hundred and
22 sixty-five, and acts in lieu or amendment thereof,
23 so far as the same are applicable thereto.

1 SECT. 13. Deposits with said corporation
2 which can be withdrawn on demand or within ten
3 days, shall, for purposes of taxation, be deemed
4 money in possession of the person to whom the
5 same is payable.

1 SECT. 14. The shareholders of said corpo-
2 ration shall be held individually liable, equally
3 and ratably, and not one for another, for all con-
4 tracts, debts and engagements of such corporation,
5 to the extent of the amount of their stock therein
6 at the par value thereof, in addition to the amount
7 invested in such shares. The provisions contained
8 in chapter two hundred and twenty-four of the
9 acts of the year eighteen hundred and seventy,
10 sections forty to forty-nine inclusive, shall apply
11 to and regulate the enforcement of this liability:

12 *provided, however,* that in case proceedings shall
13 be taken for winding up the business of said
14 corporation by the appointment of receivers or
15 trustees under the direction of the supreme judicial
16 court, as is provided by law in the case of savings
17 banks, and it shall appear that there is not a suffi-
18 ciency of assets to discharge the liabilities of the
19 corporation without resort to the liability herein
20 imposed upon the shareholders, a bill in equity, as
21 provided in the forty-second section of said act,
22 shall be filed by such receivers or trustees. No
23 creditor shall, after the appointment of such re-
24 ceivers or trustees, be allowed to file any such bill,
25 and such receivers or trustees may be substituted
26 as plaintiffs in any such bill which is pending at
27 the time of their appointment at any time before
28 final decree.

1 SECT. 15. Section two of chapter one hun-
2 dred and fifty-one of the acts of the year eighteen
3 hundred and sixty-seven, entitled "An Act to
4 incorporate the Boston Safe Deposit Company,"
5 and so much of section three of said chapter as
6 relates to the investment of the capital stock of
7 said company, are hereby repealed.

1 SECT. 16. This act shall take effect whenever
2 the stockholders of the Boston Safe Deposit Com-
3 pany, at a meeting duly called for the purpose in
4 accordance with the by-laws of the corporation,
5 shall have voted to accept the same.

6 And thereupon a certificate, duly signed by the

7 president, secretary and a majority of the directors
8 of said corporation, stating that said act has been
9 accepted, shall be filed with the secretary of state.

HOUSE OF REPRESENTATIVES, June 2, 1874.

Passed to be engrossed.

Sent up for concurrence.

GEO. A. MARDEN, *Clerk.*

