

HOUSE.....

.....No. 78.

REPORT AND BILL

CONCERNING

BANK COMMISSIONERS.

Commonwealth of Massachusetts.

HOUSE OF REPRESENTATIVES, April 6, 1838.

Ordered, That the Committee on the Judiciary be instructed to inquire into the expediency of so amending the act providing for the appointment of Bank Commissioners, as to enable said commissioners to use the powers given to them by the fifth section of said act, in all cases of the insolvency of any of the corporations therein mentioned.

L. S. CUSHING, *Clerk.*

Commonwealth of Massachusetts.

HOUSE OF REPRESENTATIVES, April 6, 1838.

The Committee of the Judiciary, to whom was referred an order to inquire into the expediency of so amending the act providing for the appointment of bank commissioners, as to enable said commissioners to use the powers given to them in the fifth section of said act, in all cases of the insolvency of any of the corporations therein mentioned, have considered the subject of said order; and they are of opinion, that the bank commissioners ought to have the power of applying to the supreme judicial court to stop the further proceedings of a bank or provident institution for savings, whenever the same is insolvent or its condition is such as to render its further progress hazardous to the public, or to those having funds in its custody, although the corporation may not have violated any of the conditions of its charter. A bank or savings institution may, by fire or robbery or other calamity, be rendered insolvent and very hazardous to the public, without any violation of the terms of its charter, and yet, as the law now stands, the bank commissioners, though they should be fully satisfied of the insolvency of the corpora-

tion, could not take any measures to secure the public or the creditors of the corporation. Your committee think that the proposed amendment of the law would be within the constitutional power of the Legislature, and highly expedient for the safety of the community.

They therefore report a bill.

For the committee,

H. G. O. COLBY.

Commonwealth of Massachusetts.

In the Year One Thousand Eight Hundred and Thirty-Eight.

AN ACT

To alter and amend “an act providing for the appointment of Bank Commissioners.”

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

1 SEC. 1. So much of the fifth section of the act
2 providing for the appointment of bank commissioners,
3 as requires, that, before the said commissioners shall
4 make application to the supreme judicial court, or, to
5 a justice thereof, to issue an injunction, to restrain
6 any bank or provident institution for savings, which
7 shall appear to the said commissioners, to be insol-
8 vent, or, in such a condition, as to render its further
9 progress hazardous to the public, or, to its creditors,
10 from further proceeding with its business,—it shall

11 also appear to the said commissioners, that such bank
12 or provident institution for savings, has exceeded its
13 powers, or, has failed to comply with all of the rules,
14 restrictions, and conditions provided by law, is here-
15 by repealed.

1 SEC. 2. The application prescribed in the fifth
2 section of the said act, may be made to the supreme
3 judicial court, when sitting in any county, or, to any
4 justice of the said court, as may be most convenient,
5 —and when made in any county other than that
6 where the corporation complained against is estab-
7 lished, the proceedings shall be removed as soon as
8 conveniently may be, into the court within and for
9 the county where such corporation is established.

1 SEC. 3. This act shall take effect, from the pas-
2 sage thereof.