

HOUSE No. 92

Accompanying the third recommendation of the Commissioner of Banks (House, No. 89). Banks and Banking. January 7.

The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Twenty-One.

AN ACT

Relative to Co-operative Banks.

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 twelve of chapter one hundred and seventy of
2 the General Laws is hereby amended by inserting after
3 the word "each", in line three a semi-colon and the
4 words, — *provided*, that the total value of matured
5 shares and paid-up shares of a co-operative bank out-
6 standing at any one time shall not be in excess of ten
7 per cent of its assets, — so as to read as follows:—
8 *Section 12.* The capital to be accumulated shall be
9 unlimited and shall be divided into shares of the ultimate
10 value of two hundred dollars each; *provided*, that the
11 total value of matured shares and paid-up shares of a
12 co-operative bank outstanding at any one time shall not
13 be in excess of ten per cent of its assets. The shares may
14 be issued in quarterly, half yearly or yearly series, in such

15 amounts and at such times as the board of directors may
16 determine. Shares of a prior series may be issued after a
17 new series, subject to the approval of the board of di-
18 rectors. Paid-up shares may be issued, subject to such
19 approval, each share to have a value of two hundred
20 dollars, which shall be paid by the purchaser when the
21 shares are issued, together with interest from the last
22 distribution of profits at a rate fixed by the directors, but
23 not in excess of the rate distributed to unmatured shares.
24 Paid-up shares shall participate in each distribution of
25 profits in the same manner and to the same extent as
26 matured shares, as provided in section forty, but at a
27 rate not to exceed five per cent. No person shall hold
28 more than forty unmatured shares or more than ten
29 matured and ten paid-up shares in any one bank at the
30 same time. Paid-up shares may be withdrawn or retired
31 in the manner provided in sections sixteen and eighteen
32 for matured shares.

