

BANKS AND BANKING

CHAPTER 137.

(S. B. No. 267—Majority of Committee on Banks and Banking.)

ADMINISTRATION OF INSOLVENT BANKS.

An Act Declaring an Emergency to exist Affecting the Public Welfare of the State with Respect to the Administration of Insolvent Banks; Providing for the Liquidation Thereof; Vesting the Supreme Court with Jurisdiction of Such Liquidation Proceedings, and Requesting It to Assume Original Jurisdiction in Furtherance of the Public Interest; Creating the Position of Supreme Court Commissioner, Fixing His Compensation, and Defining His Powers and Authority, and Providing for the Appointment of Receivers of Insolvent Banks, and Making an Appropriation to Meet the Expenses Incident to Carrying Out the Purpose of the Act, and Directing the Supreme Court to Exercise its Supervisory Authority over the District Court in Proceedings for Liquidating the Affairs of Insolvent Banks.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

Whereas, there are a large number of insolvent banks in the State, located in many different communities with thousands of depositors and other creditors, within and without the State, the obligations of which banks have remained for a long period of time unpaid, and by reason thereof the credit of the State is being injured, and hardship and injury being inflicted upon thousands of its citizens and citizens of other states, and

Whereas, in the judgement of the Legislative Assembly the ordinary judicial and administrative machinery of the State is insufficient and illy adapted to the successful and expeditious administration of the affairs of such insolvent banks, and their assets are being absorbed and depleted by expenses of administration, without corresponding liquidation of their obligations, and by reason of lack of sufficient legal authority to deal with their assets and administer their affairs, such assets are being appropriated by secured creditors in large amounts beyond the indebtedness secured, and the ordinary creditors are being thereby injured, and the depositors guaranty fund is being depleted and over whelmed with liabilities which it is liable to be unable to discharge, and

Whereas, by reason of the facts a situation of great public interest and concern has been created affecting the people of the state, as a whole, which cannot be properly and sufficiently protected according to the ordinary course of legal proceedings, and the legislature deems it proper for the Supreme Court to

assume and exercise its original jurisdiction upon the ground that it is necessary for the protection of public interest, it is hereby enacted as follows:

Sec. 1. The Supreme Court of the State of North Dakota is hereby given, and requested to exercise, original jurisdiction of the insolvency proceedings to liquidate and windup the affairs of all insolvent state banks within the state, at the time of the taking effect of this Act, and all such as may become insolvent during its continuance.

Sec. 2. Immediately upon the taking effect of this Act the State Examiner shall certify to the Attorney General a list of all State Banks in the State now closed as insolvent, whether in the hands of Receivers, the State Examiner's office, or other trustees or agents of the state, together with a concise statement, showing the time of insolvency, the name of the Receiver in charge, and such other information as the State Examiner believes will be of importance to the Attorney General.

Sec. 3. Immediately upon receiving such certificate the Attorney General shall institute a proceeding in the Supreme Court entitled in the name of the State of North Dakota, for itself, and on behalf of all creditors of such banks, as plaintiffs, against all of said insolvent banks as defendants, for the purpose of declaring them insolvent and winding up their affairs as insolvent banking associations. Such proceedings shall be brought by the filing in the office of the Clerk of the Supreme Court of a complaint reciting briefly the facts as to the insolvency of each of such banks, and the name of the receiver or other officer in charge.

Upon the filing of such complaint the Attorney General shall issue a summons in the usual form of summons issued in actions in the district court of the State, and containing an additional statement to the effect that a Petition charging the bank in question with being insolvent is on file in the office of the Clerk of the Supreme Court, and that unless answer is made thereto within 15 days from such service such complaint will be taken as confessed. Such summons, however, as prepared for service on individual banks need only name as a defendant the particular bank upon which service thereof is to be made, and such service may be made upon any officer of such bank.

Service of such Summons may be made in the same manner as the service of summons in ordinary civil actions is made, and the Sheriff of the County in which the bank to be served is located shall upon request of the Attorney General immediately make service, or cause service thereof to be made, as in ordinary actions, but he shall not be entitled to collect any fees or expenses for making such service, and he shall make return thereof when served to the Attorney General.

Sec. 4. Upon the Service of the Summons as aforesaid the defendant bank shall have fifteen days within which to serve and file an Answer denying insolvency, or any other material fact stated in the Petition and unless within such fifteen days such answer is served and filed the insolvency of such defendant shall be deemed confessed.

Sec. 5. Upon the taking effect of this Act the Supreme Court shall appoint a Court Commissioner who shall have all the qualifications prescribed by law for a Judge of the Supreme Court to whom it may refer any matters committed to the jurisdiction of the Court by this Act, who shall act for and on behalf of the Supreme Court in hearing evidence, finding facts and making orders in any matter arising in connection with the action or actions instituted in such court under the provisions of this Act.

Such commissioner may sit for hearing and determination of any question of law or fact that may arise in such action or actions at any place within the State, and any such hearing may be brought on upon reasonable notice given by the Commissioner to the party in interest of the time and place of such hearing, and in the exercise of the jurisdiction conferred upon him, said Commissioner may permit matters to be brought before him either upon ordinary notice served upon the parties or by order to show cause, according to the practice of the district courts.

Any decision of the Commissioner may be reviewed by the Supreme Court on the motion of any party aggrieved at such times and under such rules as the Court may prescribe, and unless objected to by motion to review as herein provided, the court may deem the decision of the commissioner correct and without notice or application affirm the same.

Any party desiring to have a review of the decision of the Commissioner by the Supreme Court must within three days after the making of the same, if he is present personally or by counsel, or within three days after written notice thereof, if not present, file with the Commissioner a brief written statement of the grounds of his objection and containing the post office address of the party or his attorney upon which notice of hearing shall be served. Such statement shall be filed by the commissioner with the Clerk of the Supreme Court and Notice of the Hearing of Such Motion for review shall be given to the complaining party by letter addressed to him, or his attorney at the place named in such statement. The time of giving notice of such hearing to be fixed by rule or order of the Supreme Court.

Sec. 6. Such commissioner shall be paid out of the general funds of the State the same salary as is paid to Justices of the Supreme Court and may employ such clerical assistance as shall be allowed by the Court, and shall be reimbursed by the State

for all his actual expenses incurred in connection with the performance of his duties to be passed upon by the State Auditing Board as other claims against the State. Such Commissioner shall take the constitutional oath to perform his duties according to the Constitution of the United States and the State of North Dakota.

Sec. 7. The Supreme Court shall make rules and regulations from time to time governing the reference of matters to the commissioner and the exercise of his jurisdiction and powers and the manner and method of reviewing his decisions.

Sec. 8. Upon the filing of the Complaint aforesaid the Court shall appoint a Receiver, or two joint Receivers, of all said insolvent banks, which receiver shall have all the powers and authorities ordinarily possessed and exercised by receivers of insolvent corporations or prescribed by statute and the court shall have all the power and authority with regard to the administration and closing of the affairs of such banks as are ordinarily possessed and exercised by Courts of equity over the affairs of insolvent corporations. If upon a hearing on an issue raised by answer to the complaint, it shall be established that any Bank proceeded against is not insolvent, then the Receiver shall be deemed to have been a temporary receiver, and shall account and be discharged accordingly as to such bank, in all other respects the receiver shall be deemed to be a permanent receiver.

The Receiver so appointed by the Court shall supercede and supplant any receiver theretofore appointed by the banking department, or by any other court, or any examiner or officer of the banking department that may be in charge of any of such banks, but until the receiver appointed under this Act shall take possession of any such bank the receiver, or other officer already in charge, shall continue, and it shall be his duty to protect, conserve and administer its affairs to the best of his ability, and he shall remain liable under his bond for all his acts committed prior to being finally relieved of his trust.

Sec. 9. If during the life of this Act any other banking association shall be deemed insolvent by the authorities vested by law with the right to institute insolvency proceedings against the banks, and such authorities desire to institute such proceedings, they shall make report thereof to the Attorney General, with the necessary facts as to insolvency, and he shall file a complaint such as hereinbefore provided for, as to such other association or associations, as to which it is desired to institute proceedings, joining as many as is desirable in one proceeding; and the same proceedings shall be had thereon as is provided with reference to associations already insolvent, and the court shall thereupon in like manner appoint the same receiver, or receivers, for

such additional association, or associations, and the original proceeding provided for herein, and all subsequent proceedings that may be taken as in this section provided shall be deemed to be merged and amalgamated into one proceeding, but the affairs of each association shall be kept separate.

Sec. 10. The Receiver appointed hereunder shall from time to time apply to the Commissioner for guidance and instructions and for the purpose of obtaining orders and directions with reference to the administration of the affairs or the disposition of the property of any of the Banks under his control, as receiver, in the same way and as far as may be practicable under the same course of procedure that receivers appointed by district courts apply to such district courts, and the receiver or any other parties aggrieved by any determination of the commissioner may apply to the Court for a review thereof, as hereinbefore provided for.

Sec. 11. At any time when the affairs of any bank under the receivership aforesaid are ready to be closed, the court shall fix the amount of the expense of the receivership properly chargeable to such bank.

Sec. 12. So far as practicable, except as herein otherwise provided, and except as may be otherwise provided by the Court, the ordinary rules of procedure applicable to like actions in the district court shall govern the proceedings herein provided for; but the Court may from time to time prescribe such rules of procedure as it shall from time to time find best adapted to the furtherance of the general purpose of expeditiously and economically winding up the affairs of insolvent banks.

Sec. 13. The Commissioner appointed hereunder shall have power and authority to issue subpoenas for witnesses any place within the State, and to administer oaths and to punish for contempt, to the same extent as a Judge of the District Court, subject to a review of his decision by the Supreme Court, as in case of other decisions. At any time when district court is not in session in any county, in which the commissioner is holding a hearing, he shall have a right to take and use the court room of the district court, and he may call upon the Clerk of such District Court to act as his clerk, in issuing subpoenas, and may call upon the Sheriff of the County to act as his Court officer, and such officer shall perform such services without compensation.

Sec. 14. The Commissioner shall, as far as practicable, hold his hearings in the County in which the Bank interested is located, and as far as practicable and with fair regard to the convenience and interest of all parties, at the most accessible point within the County.

Sec. 15. In all hearings before the Commissioner the parties procuring the attendance of witnesses shall be liable for their witness fees and mileage, as is allowed in district court, and the commissioner may make such order with reference to the payment of costs by the different parties as shall be just.

Sec. 16. The Supreme Court may from time to time as occasion shall require enter interlocutory or final judgments affecting the rights of particular parties to the proceedings without affecting the rights of any other party, and any judgment so entered in the Supreme Court may be at the request of any interested party transcribed to the district court of any county in the State where it shall be docketed by the Clerk of Court, and shall from the time of docketing be taken and considered as a judgment of such district court in all things the same as though originally entered, and it may be enforced as a judgment in such Court.

Sec. 17. There is hereby appropriated out of the general funds of the State the sum of \$10,000.00 per year, or so much thereof as may be necessary to pay the salary of the Court Commissioner and the expenses incident to the performance of his duties hereunder.

Sec. 18. In case the Supreme Court shall be of the opinion that its original jurisdiction does not extend to the controversy or controversies referred to in this act, or if for any other reason the Supreme Court shall refrain from exercising its original jurisdiction with respect thereto, the proceeding shall not be dismissed, but all papers and files therein shall be transmitted to the Clerk of the District Court of Burleigh County, and that court shall be and is thereupon vested with full jurisdiction of such proceeding, and thereupon the Supreme Court, in the exercise of its supervisory jurisdiction shall designate some district judge to hear and try said controversy or controversies, and the judge so designated shall give precedence to such controversy or controversies over all other work and in the disposition thereof he shall be governed by the provisions of this act, and endeavor in every way to carry the same into effect. The District Judge so designated shall perform all of the duties which the act requires to be performed by the Court Commissioner, and in such case no court commissioner shall be appointed. In such case the acts of the District Court shall be subject to review by the Supreme Court in the same manner herein provided for review by the Supreme Court of the acts of the court commissioner. Provided that all acts of such district court performed under the provisions of this act, including the appointment of a receiver, shall be subject to the supervisory control of the Supreme Court. In case of the designation of a District Judge as herein provided for, all his necessary traveling expenses incurred in car-

rying out the provisions of this act shall be paid out of the general fund of the state upon vouchers duly presented, as in other cases of the expenses of District Judges. In case of the designation of a District Judge as in this section provided, all further insolvency proceedings, in this act hereinbefore provided to be instituted in the Supreme Court, shall be instituted in the District Court of Burleigh County, and conducted in like manner.

In case of the designation of a District Judge as in this section provided for, the rules of procedure prescribed by the act for the Court Commissioner shall govern the procedure before such District Judge, and the Supreme Court shall likewise make necessary rules governing the conduct of such proceeding or proceedings.

Sec. 19. This Act shall expire and become inoperative for any purpose on the first day of July, 1926.

Approved March 6, 1923.

CHAPTER 138.

(S. B. No. 152—Bond.)

CONSOLIDATION OR MERGER OF BANKS.

An Act Authorizing the Consolidation or Merger of Banking Associations, Regulating the Procedure and Providing for Supervision Thereof, and Providing a Limitation of Actions.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

Sec. 1. Any two or more banking associations organized under the laws of this state, may consolidate their capital, assets, and liabilities, or one or more of such associations may be merged into another in the following manner:

Sec. 2. The term "consolidation" as used herein shall mean the consolidation of the liabilities, assets and corporate existence of two or more associations into a single association, which shall issue its stock to stockholders in the consolidating associations in return for the assets of the consolidating associations.

The term "merger" as used herein shall mean the taking over, or the absorption of the assets of one association by another, and the assumption of the liabilities of the association, or associations, whose assets and liabilities are taken over.

The term "old association" where hereinafter used means the associations which are consolidating or merging into the other association, and the term "new association" means the association into which the other associations are being consolidated or merged.

Sec. 3. Whenever two or more banking associations shall desire to take advantage of this Act, the Directors of each thereof shall call a special meeting of the stockholders to act upon the proposed consolidation or merger. The Notice of such meeting shall definitely state the purpose for which it is called, or the matter may be acted upon at a regular stockholders' meeting, but in that event notice of the fact that the question of consolidation or merger will be considered shall be given to each stockholder by registered mail, addressed to him at his regular business address at least ten (10) days preceding the holding of such meeting.

Sec. 4. At such stockholders' meeting, the question of the proposed consolidation or merger shall be put to a vote, and each stockholder may vote thereon in person, or by proxy, the full number of shares of stock standing in his name on the books of the association. The question so put shall embody the proposed amount of capital stock of the consolidated or merged corporation, but the statement of such amount shall be only advisory, and may be varied therefrom, within the limits hereinafter prescribed, by the State Examiner; or Court, on passing on the question of consolidation or merger. The proposal for consolidation or merger shall be deemed lost, unless two-thirds of all of the stock shall vote in favor thereof.

Sec. 5. A consolidation shall not be permitted except upon condition that the new association have a capital of at least two-thirds of the aggregate capital of the old associations, but it may have a larger capital than that of the old associations.

Sec. 6. The several stockholders' meetings at which the proposed consolidation or merger is acted upon must be held at such times that the result of all thereof may be certified to the State Examiner within thirty (30) days from the date of the holding of the first of such meetings; and the result of each meeting must be certified to the State Examiner by the Chairman, and Secretary of the meeting within ten (10) days after the holding thereof.

Sec. 7. Upon receiving the certificates aforesaid, if they shall show favorable action by all of the associations concerned, the State Examiner shall cause a thorough examination of the condition of the said associations to be made with a view of determining whether their condition is such that the proposed consolidation or merger would result in a sound and efficient banking association adapted to the needs of the community in which it is proposed to operate.

Sec. 8. Upon completing such examination, the State Examiner shall advise each of the said associations of his findings

as to whether a consolidation or merger is desirable; and in that connection, he shall indicate any changes, if any there be, in the condition of either of said associations that would make such consolidation or merger desirable, if not desirable on the conditions existing; and he may prescribe a time within which such changes in conditions may be made to warrant his approval.

If the finding of the State Examiner is adverse to the proposed consolidation or merger, the associations affected may informally appeal to the Banking Board for a review thereof, and the Board shall, as speedily as possible, set a time when it will hear any reasons that may be advanced why the findings of the State Examiner should be reversed; and upon such hearing, it shall make such order as seems proper in the premises.

Sec. 9. If the finding of the State Examiner, or the finding of the Banking Board, on appeal from his decision, is favorable to a consolidation or merger, either absolutely or upon conditions that were agreeable to the participating associations, each of such associations shall, by its Board of Directors, appoint one or more representatives to meet with the representatives of the other association, or associations, and they shall proceed to determine and make a schedule of the assets of each of the associations that shall be taken over by the new association, and they shall likewise schedule all the indebtedness of the old associations, and only such assets shall be retained by the old associations as the State Examiner shall deem not proper assets to be held by the new association. In case of consolidation, such representatives shall likewise agree upon the proportion of the stock in the new association that shall be accredited to the stockholders of each of the old associations, but the distribution of such stock among the stockholders of the several old associations shall be by the old associations as hereinafter provided for.

Sec. 10. The schedules aforesaid, and the agreement arrived at under the provisions of the last preceding paragraph shall be reduced to writing and signed in duplicate by the representatives of the old associations and shall be binding upon them and non-revocable. If the several associations are unable to agree, no consolidation or merger shall take place. Upon the associations agreeing and signing the agreement as aforesaid, one of the duplicates shall be delivered to the State Examiner who may either approve or disapprove the same, or make suggestions for the modification thereof as a condition of approval, and he may fix a time within which the conditions shall be met, and likewise agreed to in writing are resubmitted to him.

And in this case likewise, the association may informally appeal from the decision of the State Examiner to the Banking Board.

Sec. 11. If the State Examiner, or upon appeal, the Banking Board shall approve the agreement, or modified agreement entered into as aforesaid, such approval shall be endorsed on the duplicate of the agreement in the possession of the State Examiner, and each of the associations shall be immediately notified of such approval.

Sec. 12. Upon receipt by the several associations of notice of the approval provided for in the last section, the associations seeking consolidation or merger, shall file in the office of the Clerk of the District Court of the County in which at least one of the associations is doing business, a petition asking for a decree of consolidation or merger, which petition shall give the names and location of the new association, and shall recite briefly the taking of the several successive steps hereinbefore provided for and a statement of the amount of the assets and indebtedness of each of the old associations to be transferred to and assumed by the new association, the amount of the capital stock, and the amount thereof to be apportioned to the stockholders of each of the old associations and the names of the first Board of Directors of the new association.

Sec. 13. Upon the filing of such petition, the Clerk of the District Court shall cause a notice to be issued which shall be substantially the following form:

State of North Dakota.

In District Court.

County of.....

.....Judicial District

In the Matter of the Application for Consolidation (or merger as the case may be) of The.....

Bank of.....and the.....

Bank of.....

The State of North Dakota to all Persons Whomsoever—Greeting:

Notice is Hereby Given that on the.....day of.....

19..... the above named banking associations filed in this office their petition, in form prescribed by law, praying a decree permitting them to consolidate (or merge, as the case may be) under

the name of.....Bank, with its

principal place of business in the.....of..... North Dakota.

That the effect of such consolidation (or merger, as the case may be) will be to transfer the principal assets of the petitioning associations to the said.....bank of....., and to create a liability in the said last mentioned association to pay all of the debts of the said petitioning bank, and to establish a novation by the said petitioning banks, and creditors, and the said last mentioned bank.

That said petition will be heard by the Court at..... on the day of.....19....., or as soon thereafter as counsel can be heard, at which time all creditors of the petitioners are summoned and commanded to file their appearance in the office of the Clerk of this Court together with an Answer to said petition showing cause why such consolidation (or merger, as the case may be) should not be allowed.

.....
 Attested by the Seal Clerk of the District Court of
 of the Court.
County, North Dakota.

Such notice so signed and attested shall be published in some newspaper qualified to publish legal notices in the county in which such petition is filed once in each week for three (3) successive weeks and the last such publication shall be at least twenty (20) days preceding the date set for the appearance, and proof of such publication shall be made by affidavit filed in the office of the Clerk of the District Court as in other cases of publications of process.

Sec. 14. If at the end of twenty (20) days after the last publication, no appearance has been made in opposition to such petition, the Court shall at once upon the showing of the default, make its decree permitting the consolidation, or merger, as the case may be.

Sec. 15. In case opposition to such petition shall be made by any creditor, the Court shall order a summary and speedy hearing, in which the petition and answer filed with the appearance shall constitute the pleadings; and the burden shall be upon the objecting parties to show cause why the petition should not be granted and the only cause for denying such petition shall be that the objecting creditor is in danger of being substantially damaged in his financial rights; and in case any objecting creditor shall establish that he is in danger of suffering such substantial damage, the Court may order that the proceedings be stayed, and a bond of indemnity, to be approved by

the Court, given to him conditioned that all his legal claims against any of the old associations will be paid when due by the new association, and upon the furnishing of such indemnity, the proceedings shall be considered as though no opposition had been made thereto.

And the Court shall accordingly enter its decree permitting the consolidation, or merger, as the case may be.

Sec. 16. The effect of a decree permitting consolidation, or merger, shall be to bar forever all objections thereto, and to establish a complete novation between the old associations, and creditors, and the new association to the end that from that time henceforth, the old associations are relieved of all liability to creditors, all such creditors having a valid and legal claim against the new association to the full extent that they had a claim against any of the old associations, and the new association is liable for all indebtedness of all the old associations to the same extent that they were liable, and all of the stockholders' liability, as stockholders, in the several old associations are merged into their stockholders' liability as stockholders in the new association.

Sec. 17. The decree of the District Court entered in the proceedings provided for in this Act shall be final and conclusive, not subject to appeal, nor to motion to vacate or set aside, and not subject to be set aside or vacated on motion for a new trial.

Sec. 18. No stockholder of any association affected by this Act who shall have voted in favor of consolidation or merger, or shall have refrained from voting shall be heard at any stage of the proceedings to object to the consolidation or merger but shall be deemed to have consented thereto, but any stockholder who voted against consolidation or merger may be heard at any stage of the proceedings, prior to the filing of the petition in Court, and may at any such time formally or informally, file objection and appear before the State Examiner, or the Banking Board, and show cause why the proposed consolidation or merger should not be allowed, but the determination of the State Examiner or the Banking Board shall be conclusive of his rights, and no action or proceeding in court shall be maintainable by any one questioning the validity of such consolidation or merger or to recover any thing on account thereof unless the same shall be commenced prior to the time of the entry of a decree of consolidation or merger, and the Court in which the petition for consolidation or merger is filed, or the appropriate federal Court shall have exclusive jurisdiction of such action or proceeding.

Sec. 19. Upon the entry of a decree of merger, no further Act shall be necessary to be done, except to make the transfers of the assets from the old associations to the association into which they are merged, but in case of a consolidation, the decree of the Court shall specify the name and location, and the amount of the capital stock of the new association, and the proportions in which it shall be allotted to each of the old associations, apportioning the same in even hundreds of dollars. The decree shall also name the first Board of Directors, as set forth in the petition, or in case of the death or disability of any one or more of such proposed Directors, shall substitute another or others to be nominated by the petitioners.

A certified copy of such decree shall thereupon be filed in the office of the Secretary of State, accompanied by a fee of Five (\$5.00) dollars, and such new association shall thereupon become a banking association in all things the same as though originally organized under the Banking Laws and the Secretary of State shall thereupon issue to it a certificate of authority, as in the case of the incorporation of other banking associations, which certificate should be delivered to the State Examiner to be in turn delivered by him to the said new association upon its being made to appear to him that all the terms and conditions of consolidation have been complied with.

Sec. 20. Immediately upon delivery of the certificate of authority by the State Examiner to the Directors of the Association, they shall meet and elect officers, and until the election of such officers they shall personally supervise and conduct the business of the new association.

Sec. 21. Upon either a consolidation or merger, as herein provided for, the old associations shall cease to operate as banking associations or to transact any business other than to administer any assets that under the terms of the consolidation or merger have not been transferred. They shall not elect any new officers or directors, but the Directors and officers holding at the time of the consolidation or merger shall continue and the corporation itself shall remain in existence for a period of one (1) year during which time its remaining assets, if any must be disposed of, and the proceeds distributed among its stockholders, and at the end of one year from the filing of the decree of consolidation or merger, the said old associations shall cease to exist, unless upon good cause shown, and before the expiration of the said period of one (1) year any of said old associations shall obtain from the Court an order extending the time of their existence, which order shall only be granted upon a showing of a substantial reason therefor.

Sec. 22. In case of consolidation, upon the new association coming into existence, the Board of Directors of each of the old associations must furnish to the Board of Directors of the new association a statement of the amount of stock due to each of the stockholders in such old association which shall be the same proportion of the amount of stock in the new association, allotted to such old association, that the stockholders stock bore to the total outstanding stock of the old association, and the new association shall thereupon issue its stock to such individual stockholders of the old association. Provided, however, if the stock to which such stockholder is entitled does not consist of an even multiple of one hundred dollars, stock shall be issued to such individual stockholders entitled thereto for the even hundreds of dollars, included in the total amount, and there shall be issued by the new association a certificate in blank for the aggregate of the odd dollars of all such old stockholders in each of such old associations which certificate in blank shall be delivered to the Directors of the old association in trust for the use of its stockholders and if the apportionment of such interest in such blank certificate cannot be otherwise made, the Directors of such old association shall have authority to sell the same and divide the proceeds among the parties entitled thereto.

Sec. 23. The purpose of the Act is remedial, and it is intended to remedy a well understood condition existing in the banking business of the State of North Dakota, a part of which condition is the need of larger and stronger banking institutions, and the supplying of more efficient banking service, to various communities, and to the end that such conditions may be remedied to the utmost extent possible, this Act shall be in all things liberally construed, for the accomplishment of its ultimate purpose.

Approved February 27th, 1923.

CHAPTER 139.

(S. B. No. 144—Miklethun.)

BANK DEPOSITS.

An Act Relating to Deposits in Banks, and Trust Companies, and making it unlawful to make a charge against the same without the consent of the depositor.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

Sec. 1. It shall be unlawful for any bank, or trust company, with which money has been deposited, to charge against the deposit any claim of such bank or trust company or any other person, or to appropriate the same to the payment of any debt

to such bank or trust company or any other person, without legal process or without the consent of the depositor.

Sec. 2. Any bank or trust company which shall so charge any claim against a deposit or in any way appropriate the same to the payment of a debt of the depositor, in violation of the terms hereof, shall be liable to the party aggrieved for any damages caused thereby to be recovered in a civil action.

Approved February 24th, 1923.

BEES

CHAPTER 140.

(S. B. No. 243—Eastgate.)

BEES.

An Act to Safeguard the Business of Beekeeping Against Contagious and Infectious Diseases; Defining Apiaries; Providing for State Inspection Under the Direction and Control of the Commissioner of Agriculture and Labor; Prohibiting the Sale, Barter, Offer of Sale or Barter, Moving, Transportation, Shipping or Offering for Shipping or Transportation, of any Bees, Brood, Comb or Beekeeping Appliances that are Infected; Providing for the Proper Certification of Shipments into the State, and the Reporting of such Shipments by the Purchaser or Importer; Fixing Penalties for Violation.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

Sec. 1. It shall be the duty of the Commissioner of Agriculture and Labor, hereinafter called the Commissioner, to enforce the laws relating to the inspection of apiaries as hereinafter provided.

Sec. 2. The Commissioner shall appoint some person qualified by scientific training or practical experience to be state inspector of apiaries, hereinafter called the Inspector, who is charged with the inspections required under the provisions of this Act, under the direction and control of the Commissioner. The Inspector shall be furnished with such supplies, equipment and printing as may be necessary to carry out the provisions of this Act.

Sec. 3. The Commissioner shall prescribe and issue such reasonable regulations and orders as in his judgment may be necessary to prevent, eradicate or control the introduction, spread, or dissemination of any and all contagious or infectious diseases of honey bees.