

AN ACT

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(Hamburg Bank)
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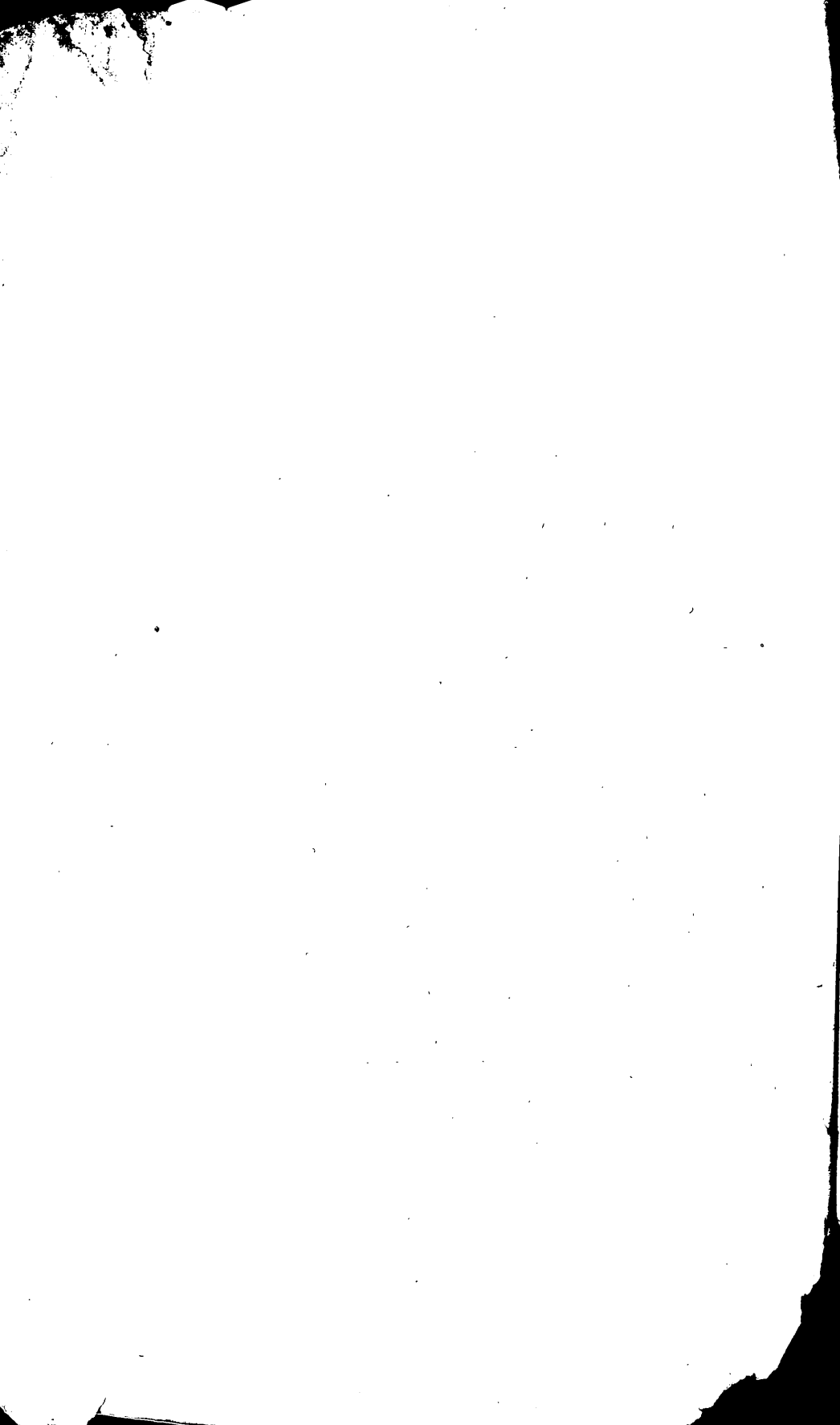
HAMBURG BANK:

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PASSED MARCH 9, 1837.
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Newton, N. J.

PRINTED BY GRANT FITCH.

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1838.



AN ACT

TO INCORPORATE THE HAMBURG BANK.

SEC. 1. BE IT ENACTED *by the Council and General Assembly of this State, and it is hereby enacted by the authority of the same,* That Robert A. Linn, Joseph E. Edsall, Daniel Haines, David Hynard, Joseph Linn, Samuel Fowler, and Bowdewine Decker, or a majority of them, be appointed commissioners to open a subscription at Hamburg, in the county of Sussex, to raise the sum of one hundred thousand dollars, in shares of one hundred dollars each; the said commissioners to give notice of the time and place or places of meeting to open the books of subscription, by advertising the same in the newspapers published in the said county of Sussex, at least three weeks, and to keep open the said books, from day to day, for three days; and if the whole amount shall not then have been subscribed, the said commissioners may keep open the said books until the whole amount shall have been subscribed; and should more than one hundred thousand dollars be subscribed, the said commissioners shall make an equitable deduction and apportionment.

SEC. 2. *And be it enacted,* That all such persons as shall become subscribers to the capital stock in the preceding section mentioned, their successors and assigns, shall be and hereby are created and made a body corporate and politic, by the name and style of "The President, Directors, and Company of the Hamburg Bank," and by that name shall be and hereby are made capable in law to sue and be sued, to plead

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and be impleaded, answer and be answered unto, defend and be defended, in all courts and places whatsoever, and also to make, have, and use a common seal, and the same to alter and renew at their pleasure ; and also to ordain, establish, and put in execution such by-laws, ordinances and regulations as shall seem necessary and convenient for the government of said corporation ; *provided*, that they be not inconsistent with the constitution and laws of this state or of the United States—and also to appoint all such officers, agents, and servants as shall be necessary to carry into effect the powers by this act vested in the said corporation, and allow to them such compensation for their services as shall be deemed reasonable.

SEC. 3. *And be it enacted*, That the sum subscribed shall be paid in the following manner, that is to say: ten dollars on each share, at the time of subscribing, to the persons receiving subscriptions, and the remainder in instalments of five dollars on each share, when called for by the president and directors of the said company, appointed and chosen as hereinafter mentioned, by thirty days previous notice being given, by the cashier of said company, in the newspapers printed in said county—and any person, copartnership, or body politic failing to pay any instalments, or any part thereof, at the time so prescribed and required, shall forfeit to the said company every share upon which there shall be any deficiency, and all money thereon previously paid.

SEC. 4. *And be it enacted*, That as soon as fifty thousand dollars shall have been subscribed, the commissioners hereinafter mentioned, or a majority of them, shall call a meeting of the persons so subscribing, to be held at Hamburg aforesaid, by giving at least three weeks' previous notice thereof in the said newspapers—and the said subscribers assembled upon such notice, at the time and place mentioned therein, shall choose by ballot, from among the subscribers, by a majority of the votes of the said subscribers, either in person or by their proxies, eleven directors, being residents of this state, for the term of one year thereafter, and on the same day annually thereafter a like election, upon like notice, shall be made—and in case of the death, refusal, resignation, disqualification, or removal of any director, the remaining directors, at their next or any subsequent meeting thereafter, shall choose by ballot another person, being a stockholder, in his place, for the residue of the said year—and the directors so chosen as aforesaid, or any seven of them, at their first meeting after every general election, shall elect from among themselves, by a majority of the directors present, a president, who

shall be an actual resident in the said county of Sussex—and in case of the death, refusal, resignation, disqualification, or removal of the president, the directors shall meet as soon as convenient thereafter, and elect, in like manner as before mentioned, another person qualified to act as president, for the residue of the year; *provided*, that in case it shall happen that an election of directors shall not be made on the day herein prescribed, the company shall not thereby be considered to be dissolved, but it shall be lawful on any other day thereafter to hold an election of directors for the year, in such manner as is herein before prescribed.

Sec. 5. *And be it enacted*, That there shall be a meeting of the board of directors at least quarter yearly, who shall have power to adjourn from time to time; and the president and any three of the directors may call a special meeting at any other time they may think necessary.

Sec. 6. *And be it enacted*, That the said directors, at every quarterly meeting, shall choose three of their body to inspect the business of the company for the ensuing three months; and the inspectors so chosen shall twice in every month examine into the state of the cash account and other business of the said company, and see that the accounts are regularly balanced and transferred, and make report thereof at the next meeting of the board.

Sec. 7. *And be it enacted*, That the capital stock and funds of the said corporation shall be deemed personal estate.

Sec. 8. *And be it enacted*, That the following, shall be the fundamental articles of the constitution of said company:

ARTICLE I.—The number of votes to which each stockholder shall be entitled shall be according to the number of shares he, she, or they shall hold, in the proportion following, that is to say: for one share, and not exceeding ten shares, one vote for every share; for every two shares above ten, and not exceeding twenty shares, one vote; for every five shares above twenty shares, and not exceeding forty shares, one vote; and for every ten shares above forty shares, one vote, which he, she, or they have held in his, her, or their name or names, and have been the owner of for at least three months before the time of voting.

ARTICLE II.—For the well ordering and conducting the elections of directors, the stockholders, at their annual meeting shall appoint three of the stockholders, not being directors or candidates for any office, to be judges of the election, who shall be authorized to conduct and regulate the same, and

shall be sworn or affirmed faithfully and impartially to execute the duties of their appointment.

ARTICLE III.—A general statement of the affairs of the said company shall be exhibited every year at the banking house of the company, at least thirty days before the annual election of directors, and remain open to the inspection and examination of any stockholder during the usual hours of business.

ARTICLE IV.—That all the books of said company shall, at any time during the usual hours of transacting business, be opened to the examination of every stockholder of such company for fifteen days previous to any election of directors; and if any officer having charge of such books shall, upon demand by any stockholder as aforesaid, refuse or neglect to exhibit such books, or submit them to examination aforesaid, he shall for every such offence forfeit the sum of two hundred dollars, the one half thereof to the use of the state of New Jersey, and the other moiety to the person who will sue for the same, to be recovered by action of debt, in any court of record, together with the costs of such suit; and further, that the book or books aforesaid shall be evidence who are the stockholders of such company entitled to examine such book or books, and to vote in person or by proxy at any election for directors of said company.

ARTICLE V.—Not less than seven directors shall constitute a quorum to do business, of whom the president shall always be one, except in case of sickness or necessary absence, in which case his place may be supplied by any other director, chosen by the directors so met for business—*provided however*, that three directors, when met for the purpose, may be allowed to make discounts.

ARTICLE VI.—The directors shall make such compensation to the president for his services in the business of the said company as shall appear to them reasonable, but in fixing such compensation the president shall not be entitled to a vote—but no other director shall be entitled to any emolument, unless the same shall have been allowed by the stockholders at the time of their annual meeting for election of officers.

ARTICLE VII.—The shares of the capital stock at any time owned by any stockholder shall be transferable on the books of the said company only, according to such rules as shall be instituted in that behalf by the laws and ordinances of the said corporation, and no transfer of such stock of the said corporation shall be valid and effectual until all debts which may be due to said company from the person transferring shall have

been fully discharged, and such transfer registered in a book or books kept for that purpose ; the bills obligatory and of credit, under the seal of the said corporation, which shall be made to any person or persons, shall be assignable by endorsement thereupon, under the hand or hands of such person or persons, and his, her, or their assignee or assignees, successively, and shall enable such assignee or assignees to bring and maintain an action thereupon, in his, her, or their name or names ; and bills or notes which may be issued by order of said corporation, signed by the president, and countersigned by the cashier, promising the payment of money to any person or persons, his, her, or their order, or to bearer, though not under the seal of the said corporation, shall be binding and obligatory upon the same, in like manner and with the like effects as upon any private person or persons, if issued by them in their private or natural capacity or capacities, and shall be received in payment of all debts due to the said corporation.

ARTICLE VIII.—The total amount of the debts which the said corporation shall at any time owe, whether by bond, or bill, or note, or other contract, shall not exceed double the amount of the capital paid in : and in case the said debts shall exceed double the amount of the capital paid in, then and in such case the directors (except as hereinafter excepted) under whose administration such malpractice shall occur shall be liable to pay to every creditor of the said bank the amount of such claim such creditor may have against said bank, to be recovered by action of debt, with costs of suit : *provided always*, the money deposited in the bank of the said company shall not be considered as the debts of the said bank, within the provisions of this clause ; *and provided also*, that no director shall be liable as aforesaid, who shall have been absent from the meeting of the board, or shall have dissented from the act or resolution by which such malpractice shall have been authorized : *and provided also*, that such director shall forthwith give notice of the fact of his absence or dissent to the governor of this state for the time being, and to the stockholders, at a general meeting, which the said directors shall have power to call for that purpose:

ARTICLE IX.—After the first year, half yearly dividends shall be made to the stockholders of so much of the profits of the banking business as shall appear to the directors advisable : but the said directors shall not at any time make any dividend of any part of the capital stock of the said company, but only the net profits thereof, and in case they shall

divide any part of the capital stock as aforesaid, the directors under whose administration it shall happen, being present and consenting thereto, shall be liable for that part of the capital stock so divided, in their natural and private capacity.

ARTICLE X.--The lands, tenements, and hereditaments which it shall be lawful for the said corporation to hold, shall only be such as shall be required for its immediate accommodation, in relation to the convenient transaction of business, and such as shall have been in good faith mortgaged to it by way of security for debts previously contracted in the ordinary course of its dealings, or purchased at sales on judgments which shall be obtained for such debts.

ARTICLE XI.--The corporation shall not directly or indirectly deal or trade in any thing, except bills of exchange, promissory notes, specie, gold or silver bullion.

ARTICLE XII.--That no loans or discounts shall ever be made by the said bank on the stock, note, or notes of any stockholder or director, nor on any note or notes that may be drawn by one director and endorsed by any other director, nor shall any note be discounted if any one director present shall object to such discount, and in case of any objection being made, the directors objecting shall not be required to give any reason therefor, nor shall the bank discount any note or bill of exchange without at least one good endorser thereon.

ARTICLE XIII.--The cashier of the said bank shall be appointed annually, and the votes of seven of the directors shall be necessary to a choice: and every cashier, before he enters on the duties of his office, shall be required to give bond, with two or more sureties, to the satisfaction of the directors, in a sum not less than twenty thousand dollars, with condition for his good and faithful discharge of the duties of his office.

ARTICLE XIV.--Each director and cashier of said corporation, before he enters on the duties of his office, shall take an oath or affirmation, that he will faithfully execute the duties of his office, according to the best of his skill and understanding.

Sec. 9. *And be it enacted,* That the said corporation shall not issue notes or bills of a less denomination than is now or may be authorized by law, nor shall any bill or note issued by the said corporation and made payable to bearer, or to any person or persons, his, her, or their order, or bearer, express any other place of payment than the office of the said banking company.

Sec. 10. *And be it enacted,* That this corporation shall

not take more for or upon its loans and discounts than the legal rate of interest for the time being : and the capital stock of the said company shall be subject to the same tax as other banks in this state are or shall be subject to, and the same shall be levied, collected, and paid in the same manner as the taxes on other banks in this state now are or hereafter may be recovered.

Sec. 11. *And be it enacted*, That if, at any time after the passing of this act, the said president, directors, and company shall neglect or refuse, on demand being made at their banking house during the regular hours of doing business, to redeem in specie any of the bills, notes, or other evidences of debts issued by the said corporation, and which shall be due, and payable, the said president, directors, and company shall, on pain of forfeiture of their charter, wholly discontinue and close their banking operations, either by way of discount or otherwise, unless the said president, directors, and company shall resume the redemption of their said bills, notes, and evidences of debt in specie, within fifteen days after such demand shall have been made : and the said company shall be liable to pay the holder or holders of such notes or bills, the payment whereof has been refused or delayed upon demand as aforesaid, damages for the nonpayment thereof, at and after the rate of ten per cent. per annum from the time of such demand, and until the same shall be paid or otherwise satisfied : and the president and directors of said corporation shall individually, and jointly and severally, be and continue liable to every creditor for the payment of any bills obligatory or of credit, note or notes, that they or any of them may issue and circulate : and upon demand of payment being made at the bank during the usual hours of business, and refusal thereof an action may be brought against the said persons then acting as president and directors of the said company, jointly or severally—and it shall be lawful for the plaintiff or plaintiffs to declare therein generally for money had and received, with a specification of the dates, sums, payees, and numbers of the said bills or notes so demanded, and payment whereof hath been neglected or refused, and upon judgment being rendered execution shall issue thereon.

Sec. 12. *And be it enacted*, That in each and every year, the president and cashier, under the seal of the corporation, and under oath of affirmation, shall furnish to the treasurer of the state, to be laid before the legislature, a correct statement of the stock of said company, and the manner in which the same is employed, and of their debts and credits—and if they

shall fail to render such statements, this charter shall be void.

Sec. 13. *And be it enacted*, That if the said company shall, at any time hereafter, deem it expedient, it shall be lawful for them to increase the amount of their said capital stock to two hundred thousand dollars, by opening subscription for the additional sum of one hundred thousand dollars in the same manner and under the same provisions as is directed and contained in the first section of this act, and subject to all the conditions and regulations herein before imposed, except that the commissioners for receiving said subscriptions may be appointed by the said company : *provided*, that the whole amount of the capital stock of the said corporation shall be paid in within ten years from the passage of this act.

Sec. 14. *And be it enacted*, That it shall not be lawful for the said bank to issue any notes or bills until an affidavit, by the president and cashier, shall have been made and filed in the office of the secretary of state, stating that fifty thousand dollars of the capital stock of said corporation shall have been subscribed and paid in conformity to this act.

Sec. 15. *And be it enacted*, That this act shall be and continue in force for and during the term of twenty years from the passing thereof, and no longer : but it shall and may be lawful for the legislature of this state, at any time hereafter, to alter, modify, or repeal the same.

Passed March 9, 1837.