

No. 325, S.]

[Published April 12, 1899.]

CHAPTER 156.

AN ACT to amend sections 2012, 2014-1, 2014-10 and 2014-12 of the Wisconsin statutes of 1898, relating to mutual loan and building associations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. Section 2012 of the Wisconsin statutes of 1898 is hereby amended by adding to said section the following provision: "except, that when the demand for loans exceeds the income of the association applicable for loans, then the association may issue its paid up stock to an amount sufficient to meet such demand for loans, but no person shall become the owner of shares exceeding in par value the sum of twenty-five hundred dollars. When such association shall accumulate funds in excess of its requirements for loans, then such paid up stock shall be retired in such manner as the by-laws provide or as the board of directors may determine," so that said section when so amended shall read as follows: section 2012. The capital stock of any such association shall not exceed five million dollars; the same may be issued in one or more successive series in such amount, in the absence of a provision in the by-laws, as the directors may determine, but no series shall exceed five hundred thousand dollars nor one-tenth of the aggregate capital stock. The capital stock shall be divided into shares of not less than twenty-five dollars nor more than two hundred dollars each, payable in periodical installments, called dues, not exceeding two dollars each per share; except, that when the demand for loans exceeds the income of the association applicable for loans, then the association may issue its paid up

Limitations of capital stock. How issued.

stock to an amount sufficient to meet such demand for loans, but no person shall become the owner of shares exceeding in par value the sum of twenty-five hundred dollars. When such association shall accumulate funds in excess of its requirements for loans, then such paid up stock shall be retired in such manner as the by-laws provide or as the board of directors may determine.

Unpledged
shares, how
withdrawn.

SECTION 2. Amend section 2014-1 of said statutes by striking out the words where they occur in said section, "and other charges, and in the order of his respective turn of presenting such notice," and inserting in lieu thereof the following, "charges and losses accrued or contingent to the time of the notice of withdrawal, as the board of directors may determine, with no interest or profits from the time of such notice;" so that said section when so amended shall read as follows: section 2014-1. A member may withdraw his unpledged shares at any time by giving thirty days' written notice of such intention, and shall then be entitled to receive the amount of dues paid in by him, and such proportion of the profits as the by-laws may prescribe, less all fines, charges and losses accrued or contingent to the time of the notice of withdrawal, as the board of directors may determine, with no interest or profits from the time of such notice; but at no time shall more than one-half of the funds in the treasury be applicable to the demands of withdrawing members without the consent of the directors.

Dividends,
how ascer-
tained and de-
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condition,
how made.

SECTION 3. Section 2014-10 of said statutes is hereby amended so as to read as follows: section 2014-10. Expenses, contingent fund, dividends.—Quarterly, semi-annually or annually, as may be specified in the by-laws, the gross earnings of the association shall be ascertained, from which shall first be deducted the expenses of the association, and from the balance shall be set aside at least five per cent. as a fund for the payment of contingent losses. The balance of the

profits shall be declared as a dividend, and the proportionate amounts may be placed to the credit of holders of installment stock, and holders of paid up stock may receive their dividend in cash (as provided in the by-laws); provided, that if at the time of such dividend period there be not a sufficient amount in the contingent fund for the payment of losses then existing, no dividend shall be declared until all losses have been fully paid. Before any dividend shall be declared, at least five per cent. of the net profits shall be set aside as a fund for the payment of contingent losses, until such fund reaches at least five per cent. of the outstanding loans. All losses shall be paid out of such fund until the same is exhausted, and whenever said fund falls below five per cent. of the loans aforesaid it shall be replenished by regular appropriations of at least five per cent. of the net earnings, as hereinbefore provided, until it again reaches said amount. At the close of such fiscal year, and at such other time as the bank examiner may direct or the board of directors may determine, it shall be the duty of the president to appoint a committee of five, three of whom shall be members of the board of directors, and two shall be stockholders, not directors, the duty of which committee shall be to schedule the assets of the association, fix their value and determine any losses which may have been sustained, and make a report of all their findings to the board of directors. It shall thereupon be the duty of the board of directors to charge off all losses so reported, and if there be not a sufficient amount in the contingent fund and the net profits for the period for the payment of such losses, then such losses, or the balance unpaid, shall be apportioned according to the number of all shares outstanding, and the proportionate amount shall be charged to each member.

SECTION 4. Section 2014-12. All associations formed under this or other similar law, or authorized to transact in this state a business

Associations
under super-
vision of bank
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similar to that authorized to be done by this chapter, shall be under the control and supervision of the bank examiner. Every such corporation, on the thirty-first day of December of each year, shall make a full and detailed report of its business done the preceding year, and of its condition on such date, in such form and containing such information as said examiner may prescribe, and shall file with him a true and verified copy thereof within thirty days thereafter; accompanying the same shall be attached a copy of the statement of the association at the close of its last fiscal year, and an affidavit of the secretary of said association showing that a true copy of said statement was delivered or mailed to each member. If any such association shall fail or refuse to furnish the report herein required it shall forfeit the sum of ten dollars per day for each and every day such report shall be withheld, and said examiner may maintain an action in the name of the state to recover such penalty, and the same shall be paid into the state treasury.

SECTION 5. All acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

SECTION 6. This act shall take effect and be in force from and after its passage and publication.

Approved April 11, 1899.