

of a fee of ten dollars at any future regular meeting of the board. Assistant optometrists registered by the board prior to the passage of this act and registered optometrists may take the examination as provided by section 153.03 of the statutes of 1923. All persons qualified, who prior to the passage of this act have completed one thousand hours actual instruction in an optometry school and who have made formal application to the board, accompanied by the examination fee of twenty-five dollars, prior to July 1, 1925, may take the examination as provided by section 153.03 of the statutes of 1923. This section shall not apply to duly licensed physicians and surgeons nor to optometrists registered prior to July 1, 1925.

SECTION 4. This act shall take effect upon passage and publication.

Approved June 10, 1925.

No. 61, S.]

[Published June 15, 1925.

CHAPTER 292.

AN ACT to repeal section 221.31; to amend subsection (1) of section 220.04, section 220.07, subsection (12) of section 221.01 and sections 221.05, 221.08, 221.11, 221.14, 221.15, 221.27, 221.29, 221.33, and 222.14 of the statutes, and to create subsection (3) of section 220.04 and section 221.31 of the statutes, relating to the banking laws.

The people of the State of Wisconsin, represented in the Senate and Assembly, do enact as follows:

SECTION 1. Section 221.31 of the statutes is repealed.

SECTION 2. Subsection (1) of section 220.04, section 220.07, subsection (12) of section 221.01 and sections 221.05, 221.08, 221.11, 221.14, 221.15, 221.27, 221.29, 221.33 and 222.14 of the statutes are amended to read: (220.04) (1) It shall be the duty of the commissioner of banking, and he shall have the power by himself, his deputy, or by any examiner he may appoint for that purpose, to examine at least * * * *once* in each year the cash, bills, collaterals, securities, assets, books of account, condition and affairs of each bank, trust company bank, and mutual savings bank doing business in this state, except na-

tional banks. For that purpose he may examine on oath any of the officers, agents, directors, clerks, stockholders, customers or depositors thereof, touching the affairs and business of such institution.

220.07 Whenever the commissioner of banking shall become satisfied that the capital of any bank is impaired or reduced below the amount required by law or the articles of incorporation, or below the amount certified to the commissioner of banking as paid in, he shall have the power to require such bank under his hand and seal of office to make good such impairment or deficiency within sixty days after the date of such requisition. In any case, where the capital of a bank shall have become impaired or reduced below the amount required by law or the articles of incorporation, the board of directors of such bank shall have the power to make a pro rata assessment upon all of the stock of said bank to make good such deficiency, and may provide that the amount of such deficiency shall be due and payable at a time to be fixed by such board of directors, which time shall be not less than ten days after notice of said assessment; *provided that notice to stockholders residing in another state shall be given by registered mail and a return receipt demanded.*

* * * If any stockholder shall fail or neglect to pay the amount of the assessment against his stock for ten days after the same shall have become so due and payable, the directors of such bank may offer said stock for sale, and sell the same at public sale upon ten days' notice to be given by posting copies of such notice of sale in five public places in the town, village, or city where such bank is located. Upon such sale, the purchaser shall forthwith pay the amount of the assessment against said stock. The amount received from the sale of said stock less the cost and expenses of such sale, shall be paid to the original owner of such stock.

(221.01) (12) The aggregate amount of the capital stock of any bank *hereafter organized* shall not be less than * * * *fifteen* thousand dollars in towns, villages or cities having less than * * * *one thousand* inhabitants; * * * and shall not be less than twenty-five thousand dollars in any *town*, village or city having more than * * * *one thousand* and less than five thousand inhabitants; and shall not be less than thirty thousand dollars in any *city or village* having more than five thou-

sand and less than ten thousand inhabitants; and shall not be less than fifty thousand dollars in any city *or village* having more than ten thousand inhabitants; and shall not be less than two hundred thousand dollars in any city having a population of more than two hundred thousand inhabitants according to the last official census. * * *

221.05 No bank shall transact any business, except such as is incidental or necessarily preliminary to its organization until it has been regularly authorized by the commissioner of banking to commence the business of banking. * * *

221.08 (1) The affairs of the bank shall be managed by a board of not less than * * * *five* directors, all of whom shall be residents of the state of Wisconsin, and a majority of whom shall be residents of the county or adjoining counties in which such bank shall be located. No person who shall have been convicted of a crime against the banking laws of the United States, or of any state of the union, shall be elected director. They shall be elected by the stockholders and hold office for one year and until their successors have been elected and have qualified.

(2) A majority of the board of directors shall constitute a quorum for the transaction of business; provided, that when the number of directors shall exceed nine, they may, once in six months, designate by resolution nine members, any five of whom shall constitute a quorum.

(3) In the first instance, the directors shall be elected at the meeting held before the bank is authorized to commence business by the commissioner of banking, and afterwards at the annual meeting of the stockholders to be held during the month of July or January; and if for any reason an election is not had at that meeting, it may be held at a subsequent meeting called for that purpose, of which due notice shall be given as provided in the by-laws of such bank.

(4) Every director shall take and subscribe an oath that he will diligently and honestly perform his duty in such office, and will not knowingly violate or permit a violation of any provision of this act; and that he is the owner in good faith *of not less than one share* of stock in the bank, standing in his name on the books of the bank. Any such oath shall be transmitted to the commissioner of banking and filed in his office.

(5) Any vacancy in the board of directors shall be filled by the board, and the directors so appointed shall hold office until the next election.

(6) The officers of the bank shall be elected by the board of directors and hold their offices for one year and until their successors are elected and qualified, unless sooner removed by the board of directors.

(7) No person who shall have been previously convicted of any crime against the banking laws of the United States, or of any state of the union, shall be elected to the office of president, vice president, cashier or assistant cashier.

(8) The president and vice president shall be chosen from the board of directors.

(9) The board of directors shall meet at the bank at least once every three months. At such meeting they shall generally examine into the affairs of such bank and determine whether all items of assets are of the value at which they are carried on the books of the bank. Any director who shall violate the provisions of this section for two meetings successively, except for sickness, absence from the city, or other unavoidable cause, shall be removed from office by a vote of such board of directors.

(10) The board of directors shall elect a secretary, who shall keep a correct record of the minutes of the meeting in a book kept for that purpose, which minutes shall particularly disclose the date of said meeting and the names of the directors present, and the reason for the absence of each and every director not in attendance at the meeting. This record of the meeting of the board of directors shall be subscribed to by the presiding officer. Such minutes shall be read and approved at the next succeeding meeting, by the board of directors, and the minutes of such next succeeding meeting shall show such fact. Such minute book shall be kept in the vault of the bank at all times. It shall be the duty of the bank examiner to examine such book at the time he examines the bank and to include in his report of examination of such bank, a statement of the dates on which such meetings were held since the last examination of said bank by the bank examiner and the names of the directors in attendance at each of said meetings.

(11) Any person who shall make a false entry in said book, or who shall change or alter any entry made therein, shall be

deemed guilty of a misdemeanor, and upon conviction thereof, be punished by a fine of not less than one hundred dollars nor more than five hundred dollars, or by imprisonment in the county jail not less than thirty days nor more than six months, or by both such fine and imprisonment.

221.11 At all stockholders' meetings each share of stock shall entitle the owner of record to one vote. A stockholder may vote at any meeting of the stockholders by proxy, *but no active or salaried officer may vote any such proxies.*

221.14 A bank may purchase, hold and convey real estate for the following purposes only :

First. Such as shall be necessary for the convenient transaction of its business, including with its banking offices other apartments to rent as source of income. No bank shall invest in a banking office, including apartments connected therewith, *together with furniture and fixtures, a sum exceeding * * * fifty per cent of its capital and surplus; provided, that * * * any bank not owning its banking offices shall not hereafter invest in furniture and fixtures a sum exceeding fifteen per cent of its capital and surplus.*

Second. Such as shall be conveyed to it in satisfaction of debts previously contracted in the course of its business.

Third. Such as it shall purchase at sale on judgments, decrees or mortgage foreclosures under securities held by it, but a bank shall not bid at such sale a larger amount than is necessary to satisfy its debts and costs.

Fourth. No real estate acquired in the cases contemplated in the second and third subdivisions preceding, shall be held for a longer time than five years, except an extension is granted by the commissioner of banking. If such extension be not granted, it must be sold at a private or public sale within one year thereafter. Nothing in this section shall be construed to prevent a bank from loaning moneys upon real estate security as provided by law. Real estate shall be conveyed under the corporate seal of the bank, and the hand of the president or vice president and cashier or assistant cashier.

221.15 (1) Every bank shall make to the commissioner of banking not less than * * * *three* reports during each calendar year, at such times as the said commissioner shall require the same, according to the forms which he shall prescribe and

furnish. Such forms shall conform as nearly as practicable to that now required of national banks, including the schedules.

(2) Such reports shall be signed and verified by the oath or affirmation of one of the officers of such bank, and attested by at least two of the directors, provided, that if by reason of absence or other inability it shall be impracticable to obtain the signature of two directors such report shall specify such reason, and the attestation thereof by a director so absent or under disability shall thereupon be dispensed with.

(3) Such report shall exhibit in detail and under proper heads, the resources and liabilities of the bank at the close of the business of any past day by the commissioner of banking specified, and shall be transmitted to said commissioner of banking within five days after the receipt of request therefor from him.

(4) Such report shall be published in a newspaper in the village or city or county where such bank is located, in such condensed form as may be prescribed by the commissioner of banking.

(5) Proof of publication shall be furnished to said commissioner of banking, within fifteen days after the receipt of the aforesaid call.

(6) At least once each year every bank shall report to the commissioner of banking on call by him, a list of its stockholders, their residences, and the amount of stock held by each, which report shall be signed and verified by the oath or affirmation of one of the officers of said bank.

(7) The commissioner of banking shall also have the power to call for special reports from any bank whenever in his judgment the same is necessary to inform him fully of the condition of such bank.

221.27 Every bank shall keep on hand at all times at least twelve per cent of its total deposits, of which such portion as the board of directors may determine, may be on deposit in banks approved by the commissioner of banking as reserve banks; except in the cases of banks which shall be approved by the commissioner of banking as reserve banks, which banks shall at all times keep on hand at least twenty per cent of their total deposits in lawful money or on deposit in banks subject to the approval of the commissioner of banking, as reserve banks. Cash items shall not be considered as a part of the reserve of any

bank. United States government bonds owned by any such bank to an amount not exceeding one-third of the required reserve, may be considered as a part of such required reserve: *provided, that any bank or trust company incorporated under the laws of this state which is or hereafter may become a member of the federal reserve bank system of the United States of America shall be required to carry during the period of such membership only such cash reserve funds as may be required from time to time to be maintained by national bank members of said federal reserve bank system.*

221.29 The total liabilities of any person, copartnership or corporation, to any bank, for money borrowed, including liabilities of the copartnership, the liabilities of the several members thereof, except special partners, shall at no time exceed thirty per cent, of the amount of capital and surplus of such bank; but the discounting of bills of exchange drawn in good faith against actually existing values, and the discounting of commercial or business paper actually owned by the person negotiating the same, shall not be considered as money borrowed * * *.

221.33 (1) No bank or bank officer shall give preference to any depositor or creditor by pledging the assets of the bank as collateral security; provided, that a state bank may deposit with the treasurer of the United States so much of its assets not exceeding its capital and surplus as may be necessary under the act of congress, approved June 25, 1910, and all amendments thereof, to qualify as a depository for postal-savings funds and other government deposits; and provided, that any bank may borrow money for temporary purposes, and may pledge assets of the bank not exceeding fifty per cent in excess of the amount borrowed as collateral security therefor; but it shall be unlawful for any bank to borrow money unless a resolution stating the amount, naming the bank from which it shall be borrowed, and designating two officers to sign the promissory note evidencing such debt, shall have been duly adopted by the board of directors and spread of record in the minute book. Provided, that whenever it shall appear that a bank is borrowing habitually for the purpose of reloaning, the commissioner of banking may require such bank to * * * *repay money so borrowed.* * * * Nothing herein contained shall prevent any bank from rediscounting in good faith and indorsing any

of its negotiable notes *if the same shall have been authorized by a recorded resolution of the board of directors.*

(2) It shall be unlawful for any bank to issue its certificate of deposit for the purpose of borrowing money. Neither shall any bank make partial payments upon certificates of deposit.

222.14 No such mutual savings bank shall loan any money upon any obligation * * * unless the same be secured by collateral in which the bank might invest its funds or on which it might loan its money to the extent authorized by the preceding section.

SECTION 3. A new subsection is added to section 220.04 and a new section is added to the statutes to read: 220.04 (3) When any banks shall be in the hands of the commissioner and an assessment shall be made against the stockholders thereof to enforce payment of the double liability, the commissioner or his duly appointed deputy or agent shall have the right to prosecute an action in a foreign state to enforce such liability against a stockholder residing in such foreign state.

221.31 Every president, director, cashier, officer, teller, clerk or agent of any bank or mutual savings bank who, without authority by resolution of the board of directors previously made and recorded upon its minutes and without one or more indorsers, the responsibility of whom shall have been approved by like previously recorded resolution or in lieu of such indorser or indorsers, collateral security the sufficiency of which shall have been approved by like previously recorded resolution, directly or indirectly borrows or otherwise procures for his use money, funds or property of the bank or mutual savings bank in excess of one thousand dollars in amount or value upon his credit or through use of the credit or accommodation of another person, firm or corporation or by acceptance for discount at said bank or mutual savings bank any note, bond or other evidence of debt which he knows or has reason to know is worth less than the price at which it is accepted as an asset for the bank or mutual savings bank, shall be punished by imprisonment in the state prison not exceeding ten years.

SECTION 4. This act shall take effect upon passage and publication.

Approved June 10, 1925.