

1889 North Dakota Session Laws.pdf/108



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of every association organized under this title, shall be individually responsible, equally and ratably, and not one for the other for all contracts, debts and engagements of such association made or entered into to the extent of the amount of his stock therein, at the par value thereof, in addition to the amount invested in, and due on such shares.

§ 19. CERTAIN LOANS PROHIBITED.] No association shall make any loans or discounts on the security of the shares of its own stock, nor be the purchaser or holder of any such shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith, and stock so purchased or acquired shall within six months be sold or disposed of at public or private sale.

§ 20. ASSETS AND LIABILITIES-RESERVE.] Each association shall at all times have on hand in available funds an amount equal to 20 per cent. of its deposits, one-half of which may consist of balances due to the associations from good solvent banks, and one-half shall consist of cash on hand; whenever the available funds shall be below 20 per cent. of its deposits such association shall not increase its liabilities by making any new loans or discounts, otherwise than by discounting or purchasing bills of exchange payable at sight, nor make any dividends of its profits until the required proportion between the aggregate

amount of deposits and its lawful money reserve has been restored; and the Public Examiner may notify any association whose lawful money reserves shall be below the amount above required to be kept on hand, to make good such reserve, and if such association shall fail so to do for a period of thirty days after such notice, the Public Examiner may impose a penalty of not less than one hundred (100) dollars, or more than five hundred (500) dollars, which shall be collected in the same manner as other penalties prescribed in this act.

§ 21. FINES AND PENALTIES, HOW RECOVERED.] All fines and penalties heretofore provided for, to which any association organized under this act may become subject to, shall be recovered on complaint of the Public Examiner, before any court having competent jurisdiction, and all fines and penalties so recovered shall be paid into the State Treasury.

§ 22. LOANS AND DISCOUNTS.] The total liability to any association of any person or company, corporation or firm, for money borrowed, including in the liabilities of a company or firm, the liabilities of the several members thereof shall not at any time exceed 15 per cent. of the the capital stock of such association, actually paid in, but the discount of bills of exchange drawn in good faith against actual existing values or loans upon produce in transit or in store as collateral security and the discount of commercial

or business paper actually owned by the person negotiating the same shall not be considered as money borrowed.

§ 23. PENALTIES FOR VIOLATION OF ACT.] Any person or persons violating the provisions of this act, not hereinbefore specially

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