

entitled, "An Act to define and punish crimes in the District of Alaska, and to provide a Code of Criminal Procedure in said District," or any amendments made thereto.

Sec. 6. The commissioners, ex-officio probate judges, shall for acts rendered in pursuance of this act receive the same fees and commissions as are prescribed for similar services when acting as probate judges, and accompanying any petition praying for the incorporation of a town as a city of the second class by virtue of this act shall be a cash deposit or bond sufficient to cover any fees or commissions which may be earned by said commissioners, ex-officio probate judges, because of said petition.

Approved, April 24, 1913.

CHAPTER 48.

(Substitute For H. B. No. 40 and H. B. No. 61.)

AN ACT to provide for the formation of banking corporations, and to regulate the business of banking in the Territory of Alaska, and securing supervision thereof; for the appointment of a Territorial Banking Board, defining its duties and fixing penalties for the violation of this act.

Be it enacted by the Legislature of the Territory of Alaska:

Section 1. There is hereby established in this territory a Banking Board which shall have charge of the laws relating to banks and the banking business in this territory. Such board shall be designated as the Territorial Banking Board. The Governor, the Secretary of

Personnel of
Banking Board

Powers

the Territory and the Territorial Treasurer are hereby constituted a board, to be known as the Territorial Banking Department. They shall have the power to make rules and establish such regulations for the government of banks under their supervision as may in their judgment seem wise and expedient: Provided, that no such rules and regulations shall in any way conflict with any of the provisions of law.

Banking defined

Sec. 2. The term "banking" within the meaning of this act shall be deemed and taken to mean the negotiation for, and the discounting of promissory notes, drafts, bills of exchange and other evidences of indebtedness, receiving deposits, selling and buying exchange, gold dust, coin and bullion, and loaning money on personal, real and other security, and other kindred financial operations. The term "bank" used in this act shall be taken to mean and include every corporation, domestic or foreign, except national banks, and all partnerships and individuals transacting banking business in this territory. The term "branch bank" used in this act shall be taken to mean an office of deposit or discount, other than the bank's principal place of business.

Bank defined

Branch bank defined

Receiving money on deposit is "banking"

Sec. 3. Any partnership, individual, corporation, branch bank, or foreign bank, who shall receive money on deposit, whether on certificate or subject to check, shall be considered as doing a banking business. And promissory notes or receipts issued for money received on deposit shall be held to be certificates of deposit for the purpose of this act. Every such partnership, individual, corporation, branch bank, or foreign bank, receiving deposits shall be subject to all the provisions of this act, and shall be subject to the same regulation, visitation and control. No bank, excepting banks established prior to the passage of this act, shall carry on a banking business except upon compliance with the provisions of this act: Provided, however, that the provisions of this act shall govern and apply to existing banks, branch

Applicable to existing banks

banks and foreign banks receiving deposits, and to partnerships and individuals heretofore engaged in the banking business in this territory.

Sec. 4. No foreign corporation or any partnership or individual, except foreign corporations, partnerships and individuals now doing a banking business in Alaska, shall do a banking business in the territory until he or they shall have furnished to the Territorial Banking Board evidence satisfactory to it that such foreign corporation, partnership or individual has invested in such banking business an amount of capital equal to that required of corporations organized under the laws of the territory engaged in a similar business, and shall have received from the Territorial Banking Board a certificate authorizing him or them to do a banking business in the Territory of Alaska as further required under this act for banking corporations organized under the laws of the territory.

Sec. 5. It shall be unlawful for any corporation, foreign or domestic, or any partnership or individual to transact a banking business in this territory unless, in the case of corporation, such corporation have a paid-up capital of at least twenty-five thousand dollars (\$25,000) in lawful money of the United States or in gold bullion of the value thereof, or in the case of a partnership or individual, unless such partnership or individual has actually invested in such banking business the sum of twenty-five thousand dollars (\$25,000) lawful money of the United States or in gold bullion of the value thereof.

Sec. 6. Any number of persons, not less than three (3), may become incorporated under this act for the purpose of conducting and carrying on a general banking business upon the terms and conditions, and subject to the restrictions prescribed in this act.

Sec. 7. The persons incorporating shall execute Articles of Incorporation, which shall specify:

1. The name assumed by such bank.

2. The judicial division in which such bank is to be located and the city or village where such bank is to conduct its principal place of business.

3. The nature of its business.

4. The amount of its capital stock which shall be divided into shares of \$100 each.

5. The number of the Board of Directors, which shall not be less than three.

6. The period for which such bank is organized and which shall not exceed fifty years.

How executed
and filed

Such articles shall be acknowledged before any officer authorized by the laws of the Territory of Alaska or of the United States to take acknowledgements. Such articles of incorporation shall be executed in triplicate, one copy of which shall be filed and recorded in the office of the clerk of the district court of the judicial division in which such bank is located; one shall be filed with the secretary of the territory, and one retained by the corporation. Such articles, or duly authenticated copies thereof, may be used as evidence in all courts of this territory for and against such bank.

When corpora-
tion perfected

Powers

Sec. 8. Upon making and filing the articles of incorporation as hereinbefore prescribed, such bank shall become a body corporate, and as such shall have the power to adopt and use a corporate seal; to have succession for the term of years mentioned in its articles of incorporation; to make contracts; to sue and be sued the same as a natural person; to elect directors, who shall have power to appoint such officers as may be necessary or convenient; to define their powers and duties and to dismiss them at pleasure, and shall also have general superintendence and control of the affairs of such corporation; to prescribe, by its stockholders, by-laws not inconsistent with law regulating the manner in which its stock shall be transferred, its directors and officers elected or appointed, its stockholders convene for general or special meetings, its property transferred, its general business

conducted, and the privilege as granted to it by law exercised and enjoyed; to exercise by its board of directors, or duly authorized officers or agents, subject to law, all such powers as shall be necessary to carry on the business of banking as defined and regulated by this act: Provided, that no such bank shall transact any business except such as is necessarily preliminary to its organization, until it has been authorized by the Territorial Banking Board to commence the business of banking.

Sec. 9. No bank incorporated under this act shall be authorized to commence business until its capital stock is actually paid in, in lawful money of the United States to the amount of twenty-five thousand dollars, or in gold bullion of the value thereof. Payments so made to the capital stock of such bank shall be certified to the Territorial Banking Board by the president, cashier or treasurer of such bank. Any such president, cashier or treasurer, or any person purporting to act as such, who shall make and file, or cause or permit to be made or filed with said Territorial Banking Board any certificate, such as is required by this section, which shall be false in whole or in part, shall be guilty of a felony and punished by a fine of not less than one thousand dollars or more than five thousand dollars, and by imprisonment in the penitentiary for not less than one or more than five years.

When capital must be paid in

Penalty for false statement

Sec. 10. A list of the subscribers to the capital stock of any bank incorporated under this act shall be transmitted to the Territorial Banking Board by the president and cashier or treasurer of such bank. Such list shall set out the name and the last residence of each stockholder, and the amount of shares subscribed for by him. No certificate authorizing such corporation to do a banking business in the Territory of Alaska shall be issued until said list of stockholders shall have been filed.

List of subscribers to stock must be filed

Sec. 11. When the articles of incorporation have been duly filed, as provided by this act, and when the president and cashier or treasurer of such bank shall have

Prerequisites to beginning business

duly filed with the said Territorial Banking Board their certificate as provided by section 9 of this act, showing that the capital of said bank has been paid in to the amount required by section 9, and when the list of subscribers to the capital stock of such bank shall have been filed with said Territorial Banking Board, as required by section 10 of this act the Territorial Banking Board shall give to such bank a certificate under its hand and official seal that such bank has complied with all the provisions of law and is duly authorized to transact business.

Shares personal property

Sec. 12. The shares of stock of such incorporated bank shall be deemed personal property and shall be transferred on the books of the bank in such manner as the by-laws thereof shall direct. No bank shall be the purchaser of its own capital stock, or accept its capital stock, or any part of it, as security for loans.

Bank may not own

How transferred

Sec. 13. A book shall be provided by every bank in which shall be entered the name and residence of the stockholders thereof, the number of shares held by each, the time when such persons became stockholders, and, also, all transfers of stock, stating the time when made, the number of shares, and by whom transferred. In all actions, suits and proceedings, said book shall be prima facie evidence of the facts therein stated. A list of the stockholders shall be kept posted in the bank office showing the number of shares held by each stockholder of record.

Stock transfer records

List of Stockholders to be posted

Amendment of Articles

Sec. 14. Any bank may amend its articles of incorporation in any manner not inconsistent with the provisions of this act by a vote of its stockholders, representing two-thirds of the capital at any regular meeting or a special meeting duly called for that purpose. A certificate of the fact and terms of the amendments shall be executed by a majority of the directors and filed as required for articles of incorporation; but no reduction of the capital stock shall be made to an amount less than is re-

Reduction of capital

quired in this act for capital, nor be valid, nor warrant the cancellation of stock certificates, nor diminish the liability of the stockholders, until such reduction has been approved by the Territorial Banking Board.

Sec. 15. The stockholders of every bank incorporated under this act shall be individually liable, equally and ratably, and not one for another, for the benefit of the creditors of such bank to the amount of their stock at par value thereof, in addition to the stock held by them. Such liability may be enforced by action at law, or suit in equity by any such bank in process of liquidation, or by any receiver or persons succeeding to the legal rights of such bank. Such liabilities shall continue for six months after any transfer of stock, as to the affairs of the bank at the time and prior to date of transfer.

Sec. 16. The affairs of every bank incorporated under this act shall be managed by not less than three directors who shall be elected by the stockholders and hold office for one year, and until their successors are elected and have qualified. A majority of the board of directors shall be bona fide residents of the Territory of Alaska and a majority of such board shall constitute a quorum for the transaction of business. In the first instance, the directors shall be elected at the meeting held before the bank is authorized to do business by the Territorial Banking Board and afterwards at the annual meetings of the stockholders, to be held on the second Tuesday in July in each year. If, for any cause, no election is held at that time, it may be held at an adjourned meeting or at a subsequent meeting called for that purpose, of which due notice shall be given as may be provided in the by-laws of such bank. At all of the meetings of the stockholders, each share shall be entitled to one vote, and any stockholder may vote by proxy in writing signed by him. Every director must be a bona fide stockholder, and be the owner of shares of the capital stock of to the value of one thousand (\$1,000) dollars. He shall take an oath

Stockholders' liability

Directors: their qualifications, election and powers

that he will faithfully and honestly perform the duties of such office and will not violate or permit to be violated any provisions of this act. Such oath shall be transmitted to the Territorial Banking Board and filed in its office. Vacancies in the board of directors shall be filled by the board, and directors so appointed shall hold office until the next election or until their successors have been elected and qualified.

Restriction on loans to one person

Sec. 17. It shall be unlawful for the officers or employees, or any officer or employee, of any bank in the Territory of Alaska to loan funds of such bank in an amount exceeding one thousand dollars to any one person or firm without first having obtained the approval of such loan from the board of directors of such bank, or a committee of said board, consisting of not less than three members thereof.

Restriction on loans to directors, etc.

Sec. 18. It shall be unlawful for any director, officer, or employee of any bank in this territory to make loans to himself out of the funds of such bank by note, overdraft or otherwise, without having first obtained permission from the board of directors of such bank; and it shall be unlawful for any banking corporation to loan in any manner its funds for the purpose of financing enterprises not within the Territory of Alaska. Any officer or employee of any banking corporation who shall violate any provision of this section shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than five thousand dollars, or by imprisonment in the federal jail for not more than one year, or by both such fine and imprisonment.

Financing enterprises outside of Alaska prohibited

Penalty

Not to hold stock of other bank

Sec. 19. It shall be unlawful for any banking corporation in the Territory of Alaska to purchase in any manner whatsoever the capital stock of any other banking corporation, excepting, however, when it shall become necessary to accept shares of stock in any such bank in payment of indebtedness owing such banking corporation.

Dividends and surplus

Sec. 20. The directors of any bank transacting bus-

ness in the Territory may declare a dividend out of the net profits of the bank, after providing for all expenses, interest and taxes accrued or due from such bank; but before any such dividend is declared, not less than one-tenth of the net profits of the bank for the preceding one-half year, or for such period as is covered by the dividend, shall be carried to a surplus until such surplus shall amount to twenty per cent. of its capital stock.

Sec. 21. Any bank transacting business in this territory may purchase, hold and convey real estate, mining claims and town lots, for the following purposes and no other; such as shall be necessary for the convenient transaction of its business, including its banking offices, assay office, other apartments in the same building to rent as a source of income; such as shall be purchased by or conveyed to it in satisfaction or on account of debts previously contracted in the course of its business; such as it shall purchase at sale under judgments, decrees, liens, or mortgage foreclosures, against securities held by it: Provided, that all real estate and personal property other than is necessary and requisite for the transaction of a conservative banking business, coming into the possession of any bank shall be disposed of as soon as possible, and prior to the expiration of three years from the date the same came into its possession. If any such real estate or personal property is not sold within the time limit, it shall not be carried as an asset of the bank. No bank shall invest in a banking office, assay office and apartments connected therewith, any sum exceeding 50 per cent, of its capital: Provided, this limitation shall not apply to the present holdings of banks doing business.

Restriction on
holdings

Sec. 22. The directors, officers, or employees of any bank who shall fraudulently receive any deposit, knowing that such bank is insolvent, shall be deemed guilty of a felony and punished, upon conviction thereof, by a fine not exceeding five thousand dollars or by imprisonment

Insolvent bank
may not receive
deposits

in the penitentiary not exceeding three years, and both such fine and imprisonment, at the discretion of the court. Every transfer of the bank's property, money, bullion, gold dust, exchange or assets, made by any bank in this territory after it shall have become insolvent within the spirit of this act, with a view of preference of one creditor over another, or to prevent the equal distribution of its property and assets among its creditors shall be void.

Transfers to prefer creditors void

Check not to be certified in excess of deposit

Sec. 23. The check of a depositor shall not be certified unless the amount of such check actually stands to the credit of the drawer on the books of such bank, and any officer or employee who shall wilfully violate this provision shall be deemed guilty of a misdemeanor. Any such check so certified, however, shall be a good and valid obligation against the bank in the hands of the innocent holder.

Deposits of persons under disability

Sec. 24. Where any deposit is made in any bank in his or her own name by any minor, or any person under disability, such bank may pay such money on check or order of such person the same as in other cases, and such payments shall be valid payments in all respects.

Joint accounts

Sec. 25. Where an account is kept as a joint account in two or more names, the payment by the bank upon a check drawn by one of such parties shall be a valid payment in all respects.

Excessive, careless or dishonest loans

Sec. 26. The directors of any bank doing business within the territory, who shall knowingly approve or permit the funds of such bank to be loaned in any excessive, careless or dishonest manner, shall be liable in their personal and individual capacity for all damages which the corporation, its stockholders, its depositors, or any other person shall have sustained in consequence of such violation, which liability may be enforced against such director or directors by suit or action in any court of competent jurisdiction.

Sec. 27. Every bank doing business in this territory shall have on hand at all times in available funds, consisting of money, gold bullion or amounts due from banks located in Alaska or in approved depositories within the United States, not less than twenty per cent. of its demand liabilities. Every such bank located within the territory shall make at least four reports each year to the Territorial Banking Board on days designated by it, and according to forms to be prescribed by it, verified in the case of corporations by an oath of the president or vice president, cashier and by at least two directors; and in case of a partnership or individual, by one of the partners or owners of said bank, and his or their cashier, certifying and subscribing under oath that they and each of them have personal knowledge of the facts stated therein and the same are true. Any person who shall certify and subscribe any report required herein which shall be false in any material effect shall be guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not more than one thousand dollars, and by imprisonment in the federal jail for not less than one year, or by both such fine and imprisonment. Such reports shall exhibit in detail and under appropriate heads the resources and liabilities of the bank, and shall be transmitted or mailed to the Territorial Banking Board within ten days of the receipt of the request from it, and such report in condensed form shall be forthwith published at least once in a newspaper of general circulation published in the place where the bank is located. If there be no newspaper published in such place, then in the newspaper published nearest thereto. All banks coming under the provision of this act shall be subject to at least one examination a year.

Twenty per cent. of demand liabilities on hand

Reports to Banking Board

Penalty for false report

Contents

Reports to be published

Examinations annually

The Territorial Banking Board shall also have power to call for special reports from any bank whenever in its judgment the same is necessary in order to obtain a full knowledge of its condition.

Special reports

Failure to re-
port

Sec. 28. Every bank which fails to make, transmit and publish any report required under the preceding section shall be subject to a penalty of ten dollars per day for each day's delay after the period specified in said section: Provided, that any bank shall be deemed to have transmitted said statement to the said Territorial Banking Board on and after the day when said bank shall have deposited the same in a United States post office in any city or town in the Territory of Alaska, properly addressed to said Territorial Banking Board, postage pre-paid and registered, if such post office be a registry office.

Examinations,
by whom

Sec. 29. The Territorial Banking Board shall select a competent person to make a detailed examination of the banks coming under this act, such examination to be made by a member of the Banking Board, or a competent person in the district where the bank to be examined is located, and the results of his examination and findings thereon shall be transmitted to the Territorial Banking Board. Such person so examining said banks shall be paid therefor by the bank so examined a reasonable fee fixed by the Territorial Banking Board which shall not exceed twenty-five dollars per day; and any one regular examination shall not exceed the sum of one hundred dollars. Such a person appointed for and making such examination shall take and subscribe an oath before a person empowered to take the same that he will honestly and impartially examine into and report the condition of said banks as to assets and liabilities and such other information as may be required by the Territorial Banking Board; and at the time of his employment he is not in any way obligated to or is the owner of any interest in said bank or an officer or a stockholder therein.

Compensation

When capital
impaired

Any irregularities in the conduct of the bank's business and any violation of law, shall be promptly called to the attention of the directors of such bank by the Territorial Banking Board, and if it should be further dis-

closed that the capital of such bank is impaired, an immediate demand shall be made by the Territorial Banking Board upon the directors of such bank to have the impairment replaced within ninety days, and in case the board of directors fail so to do, the Territorial Banking Board shall make application to the district court in the division where the bank is located for the appointment of a receiver who shall take charge of and wind up the affairs of such bank. The receiver shall, upon the order of the district court, at the request of the Territorial Banking Board, sell or compound all bad debts or doubtful debts due the bank and sell all other property of such bank, and shall, if necessary to pay the debts of such bank, enforce the individual liability of the stockholders: Provided, that the judge of the district court to whom application for the appointment of a receiver is made shall appoint any person who the holders of more than fifty per cent. of the claims against such bank may agree upon in writing: And Provided, further, that such creditors so agreeing, shall have the right to contract with the person whom they may name, as to the compensation and charges to be by him received for liquidating the affairs of such bank.

Sec. 30. Any person or persons who shall wilfully and knowingly subscribe to, or make or cause to be made any false statement, or enter any false figures, statements, or entry in the books of any bank or corporation transacting a banking business in this territory, or shall knowingly subscribe to, make or circulate any false report or statement about the condition of any bank or banking corporation within the Territory of Alaska, with intent to deceive the Territorial Banking Board, or any persons authorized to examine into the affairs of said bank or corporation, shall be imprisoned in the penitentiary for not less than one year.

Sec. 31. Any bank or banking corporation now doing business, or which may be organized under this act, may

dissolve and disincorporate after having satisfied the Territorial Banking Board that all of its depositors have been paid in full, and that all other liabilities existing against such bank or banking corporation, have been paid.

Depositors not known to be living

Sec. 32. It shall be the duty of every bank in the Territory of Alaska, upon request, to report to the Territorial Banking Board, the name of every person not known to be living who appears by the records of a bank to have a sum of money on deposit therein, together with the amount of such deposit, provided this section shall apply only to deposits made ten years or more prior to the making of such report and which may not have been added to or reduced by withdrawal; and it is hereby made the duty of the executive officer of such bank, upon request, to furnish such report. The Territorial Banking Board shall then proceed concerning such deposits, as provided in Chapter 19, Part 4, of the Civil Code of Alaska.

U. S. Attorney to conduct suits, etc., hereunder

Sec. 33. The United States attorneys for the respective judicial division in which any bank is situated, shall conduct all actions, suits or proceedings under the provisions of this act, and all civil actions, suits and proceedings begun under this act shall be begun and carried on by the said U. S. Attorneys in behalf and in the name of the people of the Territory of Alaska.

Provisions hereof effective when

Sec. 34. The provisions of this act shall apply to and govern all banks in the Territory of Alaska, hereafter engaging in the business of banking as herein defined, and every bank now engaged in the business of banking in the Territory of Alaska, as defined in this act, shall, on or before twelve months from the date this act becomes effective, alter or amend its articles of incorporation or other agreement or contract under which it may be organized or conducted, if necessary to comply with the provisions of this act and by said date make its busi-

ness conform in all respects to the requirements of this act.

Approved, April 29, 1913.

CHAPTER 49.

(H. B. No. 74.)

AN ACT to provide for the filing of grubstake contracts and prospecting agreements.

Be it enacted by the Legislature of the Territory of Alaska:

Section 1. All grubstake contracts and prospecting agreements hereinafter entered into and which may in any way affect the title of mining locations or other locations made under the mining laws of this Territory or of the United States, shall be void and have no effect except as between the parties to such contract or agreement, unless such instrument shall have been filed in the office of the clerk of the district court for the judicial division in which the property affected thereby is located; Provided, that where such contract or agreement is made and executed outside the Territory of Alaska the same shall be recorded in the office of the secretary of the Territory. The said clerk or secretary shall provide a separate file for such documents and a docket in which to enter a memoranda thereof showing the persons between whom the contract or agreement is made, where made, the date thereof and a brief summary of the contents of the agreement, including the name and address of the person filing the same. For this service the respective clerks of the court, or secretary of the Territory, shall be entitled to receive the sum of one dollar. Said sum to be covered into the fund known as the "District Historical Library" fund.

Grubstake contracts to be filed