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Laws of the Union:
14th Congress, 2nd Session.

AN ACT

To incorporate the subscribers to certain Banks in the District of Columbia, & to prevent the circulation of the notes of unincorporated associations within the said District.

BE it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after the passage of this act, all those persons who shall hold any share of the joint stock or funds, created in pursuance of certain articles of association, made and entered into on the first Monday in February, in the year 1814, between sundry persons forming a company of limited partnership, under the name and style of the President and Directors of the Farmers' and Mechanics' Bank of Georgetown, and their successors, being stockholders as aforesaid, shall be, and they are hereby incorporated and made a body corporate and politic, by the name and style of the "Farmers' and Mechanics' Bank of Georgetown," and as such shall continue until the first day of January, 1822, and by that name may sue and be sued, implead and be impleaded, answer and be answered, defend and defended, in courts of record, and any other place whatsoever; and by that name may have and hold purchase, receive, possess, enjoy and retain, lands, rents, tenements, hereditaments, goods, chattels and effects, of what nature, kind or quality soever; and the same may sell, demise, alien, and dispose of, and by that name shall have, during the continuance of this act, succession, and may make, have, and use a common seal, and the same may break, alter, and renew at pleasure; and shall have power to ordain, establish, and put in execution, such by-laws, ordinances, & regulations, as shall seem necessary and convenient for the government of said corporation, not being contrary to law, nor the constitution thereto; and generally to do & execute all acts necessary or proper for the objects of said incorporation: subject to the rules, regulations, restrictions and provisions herein described and declared.

Sec. 2. And be it further enacted That the capital stock of the said bank shall consist of 500,000 dollars, money of the U. States, to be divided into shares of 25 dollars each.

Sec. 3. And be it further enacted That the said bank shall transact its business in Georgetown.

Sec. 4. And be it further enacted, That the affairs of the said bank shall be conducted by 12 Directors and a President, whose place if chosen from among their number, shall be supplied by that body. Six of the directors, with the president, shall form a board of quorum, for transacting all the business of the company; but the ordinary discounts may be done by the president and 3 directors. In case of his sickness, or necessary absence, his place may be supplied by any director whom he by writing under his hand, may nominate for that purpose; or, in case of his not making such nomination, the board may appoint a president, to act during his absence. The president and directors who may be in office under the said articles of association, at the time of the passage of this act, shall continue in office under, and by virtue of this act of incorporation, until others shall be duly chosen in their stead. No person shall be a director or president who is not a citizen of the U. States and a stockholder; and a director ceasing to be a stockholder, shall cease to be a director; and no person, a director of another bank, shall be a director of this bank. Every stockholder being a citizen of the United States, shall be entitled to vote, by himself, his agent, or proxy, appointed under his hand and seal, at all elections in virtue of this act: and shall have as many votes as he shall have shares, as far as 30 shares; and from 30 to 60 one vote for every two shares; and one vote

for every 5 shares thereafter. No person who is not a citizen of the U. States, shall be entitled to vote in any election of this corporation; *Provided nevertheless*, That this section may, at any time hereafter, be altered or amended by Congress, in such manner as they may see fit, so as to provide for an annual rotation of directors.

Sec. 5. And be it further enacted, That a general meeting of stockholders of the said bank shall be held on the first Monday of July, in the year eighteen hundred and seventeen, and on the first Monday of July in every year thereafter, at such places as the president and directors shall appoint, by giving four weeks notice in two or more of the newspapers of the district, for the purpose of electing directors for the ensuing year, who shall meet on the day succeeding their election, and shall immediately proceed to choose a president; and the president and directors, for the time being, shall continue in office until others shall be duly elected in their places, and be organized, by the assembling of a quorum, and the choice of a president. At all elections, the persons having the greatest number of votes shall be deemed to be chosen. All elections shall be held under the superintendence of the president of the bank for the time being, and four stockholders, not being at the time directors, appointed by the board of directors, any three of whom shall be the judges thereof. They shall immediately thereafter notify the persons elected, to meet the ensuing day at the bank, and shall make a return of persons elected, at their first meeting. Should two or more persons have the same number of votes, the other individuals, elected directors, shall determine by ballot, from among all persons who shall be the directors. All elections shall be opened at ten o'clock in the forenoon, and close at three in the afternoon.

Sec. 6. And be it further enacted, That the president and directors shall have full power to make, revise, alter, and annul, all such rules, orders, by-laws, and regulations for the government of said corporation, and that of its officers, servants, and affairs, as they shall from time to time think expedient; and to use, employ, and dispose of the capital stock, funds, and property of said bank, for the interest and benefit of the stockholders, subject only to the restrictions herein contained; but the said bank shall not take for discounting, any bill or note, more than at the rate of six per centum per annum, upon the amount due by such bill or note.

Sec. 7. And be it further enacted, That all promissory notes, bills of exchange, drafts, checks and receipts for the payment of money, made on behalf of said bank, signed by the president, and countersigned and attested by the cashier, shall be obligatory on the said body corporate, and shall possess the like qualities as to negotiability, and the holders thereof shall have the like action there upon, as if such promissory notes, bills of exchange, drafts, checks, or receipts, had been made by, or on behalf of a natural person.

Sec. 8. And be it further enacted, That the books, papers, correspondence, and funds of the bank shall, at all times, be subject to the inspection of the directors.

Sec. 9. And be it further enacted, That the president and directors shall have power to appoint a cashier, and all other officers and servants, for executing the business of said bank, and to establish the compensation to be made to the president and all other officers or servants of the said bank, respectively, but no compensation be given to a director for his services, except by a vote of the stockholders in a general meeting.

Sec. 10. And be it further enacted, That the president and directors shall have power to call a general meeting of the stockholders, for the purpose concerning the interest of the bank, giving at least six weeks notice in one or more of the newspapers of the District, specifying in such notice the object or objects of such meeting.

Sec. 11. And be it further enacted, That the shares of the capital stock at any time owned by an individual stockholder, shall be transferable only on the books of the bank, according to such

rules as may, conformably to law, be established in that behalf by the president and directors, but all debts actually due and payable to the bank (days of grace for payment being passed) by a stockholder requesting a transfer, must be satisfied before such transfer shall be made, until the president and directors shall direct contrary.

Sec. 12. And be it further enacted, That the dividends of the profits of the said bank, or so much of the profits as shall be deemed expedient and proper, shall be declared half yearly in the first week in July and January, in each year; the amount of said dividend shall, from time to time, be determined by the president and directors, and shall in no case exceed the amount of the net profit actually acquired by the company, so that the capitol stock of said company, shall never be impaired by dividends.

Sec. 13. And be it further enacted, That if the said directors shall at any time, wilfully and knowingly make or declare any dividend which shall impair the said capitol stock, all the directors present at the making and declaring of said dividend, and consenting thereto, shall be liable in their individual capacities, to the company for the amount or proportion of said capital stock so divided by the said directors; and each director, who shall be present at the making or declaring of such dividend, shall be deemed to have consented thereto, unless he shall immediately enter, in writing, his dissent on the minutes of the proceedings of the board and give notice thereof to the secretary of the treasury of the U. States.

Sec. 14. And be it further enacted, That the bank shall in no case, buy and sell the funded debt of the United States, or of any state, or be owner of any ships or vessels or directly or indirectly be concerned in trade, or the importation, or exportation, purchase, or sale of any goods, wares, or merchandise whatever, except bills of exchange, or bullion and such ships, vessels, goods, wares, or merchandise, as shall be truly pledged to them by way of security, for debts due, owing or growing due to the said bank, or purchased by it to secure such debts: *Provided nevertheless*, That the said bank may sell and dispose of either the whole or any part of the funded debt of the United States, which it now holds.

Sec. 15. And be it further enacted, That the said bank shall not purchase or hold lands, tenements, or real estate, other than what may be necessary for the convenient transaction of its business, unless such lands, tenements, and real estates shall have been bona fide mortgaged to the bank by way of security, or conveyed to it in satisfaction of the debts previously contracted in the course of dealings or purchased to secure debts contracted with or due to the bank; and in every instance in which the bank may become the owners or claimants of lands, tenements, or real estates, the president and directors are empowered to sell or dispose of the same, in such manner as they may deem beneficial for the said bank.

Sec. 16. And be it further enacted, That if any vacancies shall at any time, happen among the directors, by death, resignation, or otherwise, the rest of the directors, for the time being, shall elect a director to fill the vacancy.

Sec. 17. And be it further enacted, That any number of stockholders, not less than twenty, who shall be proprietors of not less than four thousand shares may, for any purposes relative to the institution, at any time apply to the president and directors to call a general meeting of the stockholders; and if by them refused, the said number of stockholders, proprietors of not less than the number of shares aforesaid, shall have power to call a general meeting of the stockholders giving at least sixty days notice in two or more of the public newspapers of the district, specifying in such notice the object or objects of such call.

Sec. 18. And be it further enacted, That in case it should at any time happen that an election of directors should not be made on any day when, pursuant to this act, it ought to have been made, the said corporation shall not for that cause be deemed to be dissolved, but it shall be lawful on any other day to

hold and make an election of directors at a meeting to be called in such manner as shall be prescribed by the laws and ordinances of the said corporation.

Sec. 19. And be it further enacted, That it shall be the duty of the president and directors of the said bank to exhibit, on the first Monday in January in each year, or oftener if required, a statement of the debts, credits, and funds of the bank, to the secretary of the treasury of the United States, whose duty it shall also be to state to Congress, immediately thereafter, his opinion as to the solidity of said bank, and the causes of danger, if any, arising from the improper management thereof.

Sec. 20. And be it further enacted, That if the said bank shall at any time fail or refuse to pay on demand, any bill, note, or obligation issued by said bank, in lawful currency of the United States, if required, or shall neglect or refuse to pay on demand in like currency, if required, any monies received by said bank on deposit, to the person or persons entitled to receive the same, then and in such case the holder of any such note, bill, or obligation or the person or persons to demand and receive such deposit as aforesaid, shall respectively be entitled to receive and recover interest on the same at the rate of ten per centum per annum, from the time of demand until the same be fully paid and satisfied. And further, it shall be lawful for Congress forthwith to revoke, and declare this charter null and void.

Sec. 21. And be it further enacted, That unless the president and directors, for the time being, of the said bank, on the part of the stockholders, file their declaration in writing in the office of the secretary of the treasury, within thirty days from the time of passing this act, assenting to and accepting the charter granted by this act, upon the terms and conditions herein expressed, this act shall have no force or effect, and the charter hereby granted shall be void.

Sec. 22. And be it further enacted, That if the whole amount of the capital aforesaid of said bank shall not have been paid in, on or before the first day of January, in the year one thousand eight hundred and nineteen, then the capital stock shall be limited to the sum which shall at that time be paid in, and the books of subscription be thenceforth closed immediately after which it shall be the duty of the president and directors to certify to the secretary of the treasury the whole amount of the capital of said bank so paid in.

Sec. 23. And be it further enacted, That all those persons, their legal representatives and assigns, who have heretofore subscribed certain articles of association, and formed a company of limited partnership, under the name and style of the President and Directors of the Central Bank of Georgetown and Washington, and their successors shall be and are hereby incorporated with the like capital, and limitation thereof and with the like number of directors, and time and manner of electing them, and a president, as is herein before provided in relation to the "Farmers' and Mechanics' Bank of Georgetown, and with only the difference herein specially provided and set forth: the said "Central Bank of Georgetown and Washington," and the president and directors thereof, shall be subject to the rules, regulations, conditions, and impositions, and be vested with the like rights, privileges, and immunities as a body corporate, as appertain to the said Farmers' and Mechanics' Bank of Georgetown, and as if all the general provisions of this act were herein again repeated and enacted with express reference to the said Central Bank of Georgetown and Washington."

Sec. 24. And be it further enacted, That all those persons, their legal representatives and assigns, who have heretofore subscribed certain articles of association, and formed a company, or limited partnership, under the name and style of the "President and Directors of the Bank of the Metropolis," and their successors, shall be, and are hereby incorporated, with the like capital, and limitation thereof, with the like number of directors, and time and manner of electing them, and a president, as is herein before provided in relation to the "Farmers' and Mechanics'