

No. 659, A.]

[Published June 28, 1905.

CHAPTER 504.

AN ACT to amend chapter 86 of the statutes of 1898 relating to trust companies.

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

Capital stock. SECTION 1. Section 1791d of the statutes of 1898 is hereby amended so as to read as follows: Section 1791d. Any number of persons, not less than five, may become incorporated for the purpose of transacting business as a trust, annuity, guaranty, safe deposit and security company upon complying with the provisions of this chapter, and any company so formed and its successors shall be entitled to the rights and privileges and be subject to the duties and obligations herein prescribed. The capital stock of any such corporation shall be fixed and limited by the articles of association and must be at least one hundred thousand dollars and not to exceed five million dollars, except that in cities of less than one hundred thousand inhabitants, it shall not be less than fifty thousand dollars. When fifty per centum of the capital stock fixed in the articles shall have been paid in in cash and an affidavit to that effect is duly made by the president or secretary and filed with the *commissioner of banking, said commissioner shall make or cause to be made an examination into the condition of such corporation. If upon such examination, it appear that such corporation is lawfully entitled to commence business, the commissioner of banking shall give to such corporation a certificate, under his hand and official seal, that such corporation is authorized to commence business and to continue such business for six months, following the date of such certificate of authority.* The balance of the capital stock shall be paid in at such times and in such amounts as the board of directors may determine, but the whole thereof shall be paid in within six months from the date of the commencement of business; and whenever such capital stock is fully paid and an affidavit to that effect is duly made by the president or secretary and filed with the *commissioner of banking, said commissioner shall again make or cause to be made an examination into the affairs of such corporation and, on satisfying himself that the capital fixed in the articles of association has been*

paid in in full and that such corporation has in all respects complied with the law creating it, said commissioner of banking shall give to such corporation a certificate, under his hand and official seal, authorizing such corporation to transact business as such trust, annuity, guaranty, safe deposit and security company. All of the general provisions of chapters 86 and 87 relating to corporations shall apply to corporations created under this section.

Deposit of securities. SECTION 2. Section 1791e of the statutes of 1898 is hereby amended so as to read as follows: Section 1791e. As soon as possible and not later than six months after any such company has commenced business, it shall deposit with the state treasurer not less than fifty per centum of the amount of its capital stock nor more than one hundred thousand dollars; such deposit to be in cash, bonds, or mortgages, or notes and mortgages on unincumbered real estate within this state worth double the amount secured thereby, or public stocks and bonds of the United States or of any state of the United States that has not defaulted on its principal or interest within ten years, or of any county, town, village or city in this state, and upon all which bonds and other securities there shall have been no default in the payment of interest or principal for a longer period than thirty days; which cash, bonds, mortgages, or notes and mortgages or public stocks or bonds shall be held by the state treasurer in trust as security for the depositors and creditors of said corporation and for the faithful execution of any trust which may be lawfully imposed upon and accepted by it; *provided, that the securities comprising such deposit shall first be submitted to the commissioner of banking for approval.* Such corporation may from time to time withdraw the said securities as well as the cash or any part thereof: *provided, that securities or cash of the amount and value required by this section shall at all times during the existence of such corporation remain in the possession of the state treasurer for the purpose aforesaid; and until otherwise ordered by a court of competent jurisdiction, the said treasurer shall pay over to such corporation the interest, dividends or other income which he shall collect upon such securities or he may authorize the said corporation to collect the same for its own benefit.* Upon such deposit being made, the state treasurer shall issue a certificate of such fact and an amount equal to the sum stated in such certificate shall remain with him in the manner provided above.

License fee. SECTION 3. Section 1791i of the statutes of 1898 is hereby amended so as to read as follows: Section 1791i.

Every such corporation shall, on or before the first day of March in each year, pay to the state treasurer as a license fee for transacting such business, the sum of *five* hundred dollars and in addition *three* per centum of its net income during the calendar year preceding. Such payment shall be in lieu of all taxes for any purpose authorized by the laws of this state except taxes on such real estate as may be owned by such corporation. * * * The provisions of section 1791d to 1791i inclusive shall attach, apply to and govern all corporations now existing and organized under chapter 158 of the laws of 1887, or the amendments thereof, except that any such corporation may continue to do business with the amount of capital provided in said chapter.

Reports; forfeitures; examinations; falsifying records; business, how done. SECTION 4. Chapter 86 of the statutes of 1898 is hereby amended by adding after section 1791i, five new sections to be severally known as sections 1791i—1, 1791i—2, 1791i—3, 1791i—4 and 1791i—5 and to read as follows: Section 1791i—1. Every corporation heretofore organized or which may be hereafter organized as such trust, annuity, guaranty, safe deposit and security company as provided in said sections 1791d, to 1791i inclusive, shall be and is hereby placed under the supervision of the state banking department, and shall make to the commissioner of banking, not less than three reports during each calendar year, at such time as the said commissioner may require the same, according to the forms which he shall prescribe and furnish. Such reports shall exhibit in detail the condition of such corporation and shall be signed and verified by the oath or affirmation of one of the officers of such corporation and attested by at least two of the directors, and shall be transmitted to the commissioner of banking within five days after the receipt of the request therefor from him. Such reports shall be published by and at the expense of such corporation in a newspaper of the city or town in which such corporation is located, in such condensed form as may be prescribed by the commissioner of banking, and within fifteen days after the receipt of the aforesaid request, proof of such publication shall be furnished to said commissioner. Every such corporation failing or refusing to make, publish or transmit to the commissioner of banking any of the reports or proofs of publication, as required by this act, shall be subject, at the discretion of the commissioner of banking, to a forfeiture of ten dollars for each day after the time required for making such reports. Whenever any such cor-

poration fails or refuses to pay the forfeiture herein imposed for a failure to make, publish or transmit such report or proof of publication, the commissioner of banking is hereby authorized to institute proceedings for the recovery of such forfeiture. Section 1791i—2. 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, without previous notice, the cash, securities, books, papers and affairs of such corporation to ascertain its condition, its ability to fulfill its obligations, and whether it has complied with the provisions of law. For that purpose said commissioner, deputy or examiner shall have access to the vaults, books and papers of the corporation; and may examine on oath any of the officers, stockholders, agents, clerks, customers or depositors thereof, touching the affairs and business of such institution. If such corporation is connected with a national bank, such commissioner of banking may make such arrangements with the national bank examiner, if possible, that their examination shall be simultaneous. Whenever any such officer or officers in charge of such corporation shall refuse to submit the affairs and concerns of such corporation to the examination herein provided or refuse to be examined on oath touching the concerns of the corporation, the commissioner of banking may inform the attorney general, whose duty it shall be to institute proceedings for the appointment of a receiver of such corporation to wind up its business. Section 1791i—3. Every corporation doing business under this act as such trust, annuity, guaranty, safe deposit and security company shall be required to pay to the commissioner of banking, an annual examination fee which shall be for any such corporation having a capital of one hundred thousand dollars or less, twenty-five dollars; of more than one hundred thousand dollars and less than five hundred thousand dollars, fifty dollars; of five hundred thousand dollars or over, seventy-five dollars. Provided, that such fee shall be remitted by all such corporations directly to the commissioner of banking on or before the first day of June, 1906, and annually thereafter. If such fee be not paid upon demand therefor, when due, the commissioner of banking shall institute action in the name of the state against such delinquent corporation for the recovery of the amount thereof. All such fees shall be paid by the commissioner of banking into the state treasury to the credit of the general fund. Section 1791i—4. Any officer, director or employee of any such trust,

annuity, guaranty, safe deposit and security company who shall wilfully and knowingly subscribe to or make, or cause to be made, any false statement or false entry in the books of any such corporation, or shall knowingly subscribe to or exhibit false papers, with the intent to deceive any person or persons authorized to examine into the affairs of said corporation, or shall knowingly make, state or publish any false report, return or statement of any such corporation, shall be deemed guilty of a felony, and upon conviction thereof, shall be punished by a fine of not less than one thousand dollars nor more than five thousand dollars, or by imprisonment in the state penitentiary not less than one (1) year, nor more than ten (10) years, or by both such fine and imprisonment in the discretion of the court. Section 1791i—5. Whenever the commissioner of banking shall become satisfied that the capital of any trust, annuity, guaranty, safe deposit and security company is impaired or that such corporation has become insolvent, it shall be his duty and he shall have the power to proceed against such corporation in like manner as provided in sections 7 and 8 of chapter 1 of chapter 234, laws of 1903, in the case of banks whose capital shall have become impaired or which may have been found to be insolvent, as far as the above named sections 7 and 8 may be applicable to such trust, annuity, guaranty, safe deposit and security company. No person, co-partnership or corporation engaged in business as a trust, annuity, guaranty, safe deposit or security company not subject to the supervision and examination by the commissioner, or being not required to make reports under the provisions of this act, shall make use of any office sign at the place where such business is transacted, having thereon any artificial or corporate name or other words indicating that such place or office is the place or office of a trust, annuity or guaranty company. nor shall such person or persons make use of or circulate any letter heads, bill heads, blank notes, blank receipts, certificates, circulars, or any written or printed paper whatever having thereon any artificial or corporate name or other word or words indicating that such business is the business of a trust, annuity or guaranty company. It shall be unlawful for any person, co-partnership or corporation to use the words 'trust, annuity or guaranty company' in any manner above prohibited. Any person or persons violating any of the provisions of this section, either individually or as an interested party in any co-partnership or corporation, shall be guilty of a misdemeanor and on conviction thereof shall be fined in a sum not less than

\$300.00 nor more than \$1,000.00, or by imprisonment in the county jail not less than sixty days nor more than one year, or by both such fine and imprisonment.

SECTION 5. This act shall take effect and be in force from and after its passage and publication.

Approved June 20, 1905.

No. 641, A.]

[Published June 28, 1905.

CHAPTER 505.

AN ACT to amend section 1778, statutes of 1898 as amended by section 1, chapter 313, laws of 1901, and chapter 304 of the laws of 1905, relating to telegraph, telephone and power transmission companies.

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

Telegraph, telephone and power companies; liability. SECTION 1. Section 1778 of the statutes of 1898, as amended by section 1 of chapter 319 of the laws of 1901 and chapter 304 of the laws of 1905 is hereby amended so as to read as follows: Section 1778. Any corporation formed under this chapter to build and operate telegraph or telephone lines or systems for the transmission of heat, power or electric light for public purposes, or to conduct the business of telegraphing, telephoning or transmitting heat, power or electric light for public purposes may, subject to all reasonable requirements and regulations made by any city or village through, across or adjoining which said line, lines or systems may be proposed to be constructed, construct and maintain any such lines or systems with all necessary appurtenances, from point to point, upon, in, along, across or beneath the surface of any public road, highway or bridge or any stream or body of water, or upon the land of any owner consenting thereto, and from time to time to extend the same at pleasure and for such purposes may also acquire lands, or any interests therein in the manner provided in this act; and may connect and operate its lines or systems with the lines or systems of any person or cor-