

MONTHLY BULLETIN

Issued by
OSCAR NELSON
AUDITOR of PUBLIC ACCOUNTS
BANKING DEPARTMENT
State of Illinois

Vol. 7

SPRINGFIELD, JANUARY 1, 1932

No. 10

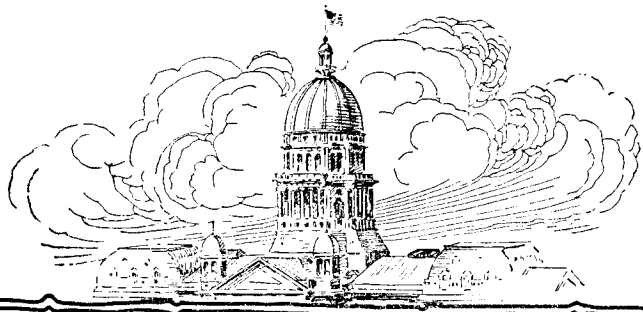
GREETINGS TO 1-9-3-2

With less regret, perhaps, than ever before we watch a year, 1931, pass into history.

With more hope, no doubt, than ever before we welcome the approach of the new year.

The past twelve months have been unusual and the fight has been to the sturdy. Conditions have been experienced which may not soon again be repeated and yet there will emerge from it all, lessons that should not be forgotten.

Let us hope that the new year will be one more fraught with contentment; that such evidences of unrest as have been apparent for some time past will be absolved by the return to normal conditions.



REPORT FORMS

All State Banks by this writing should have received various report blanks. These include the usual forms for furnishing information in accordance with the quarterly call of general condition; reports of the Earnings, Expenses and Dividends, and, also, a report of any dividends declared and ordered paid. Where banks operate trust departments certain reports must be furnished in this connection. All of these are, primarily, for the information of the Auditor; secondly, with call forms and trust reports for the information of the public and, thirdly, all are valuable for the statistical data obtained.

This is compiled as rapidly as possible and in some form or other finally reaches the banker, or that portion which is pertinent to him. For the latter reason, particularly, must we urge that all of the report forms be executed promptly and mailed to the Department. Do not throw the envelopes containing these blanks on your desk for consideration at your convenience but give immediate action and supply accurately and promptly the information requested.

Thank you.

ANNUAL STOCKHOLDERS' MEETINGS

During the month of January many banks will hold annual meetings of their shareholders. At these meetings directors are elected for the ensuing year. Following the election it is necessary that the new board meet and organize and at this time the Oath of Fealty of the directors must be executed on the form (already mailed by the Department) and promptly returned.

In some cases other matters are accomplished at the stockholders' meetings such as the extension of duration of charter; change of name; increase or decrease of number of directors; change of location; increase or decrease, change in par value of Capital Stock or to consolidate with some other banking institution.

If any of the propositions referred to in Section 12 of the Banking Act are to be voted upon at a regular stockholders' meeting please advise the Department and ask for blanks to fit such change as may be contemplated. Form 37 should be used in each instance. It should be remembered that it requires a vote in the affirmative representing two-thirds of the Capital Stock of the bank. The proposition voted upon must be submitted to the Auditor for his approval which, if approved, will be in writing. The Form containing the resolution (Form 37) providing for such change or changes and

the Auditor's written approval must then be filed immediately for record in the office of the recorder of deeds.

These are important steps and must be taken in accordance with the Statutes and only when these have been so accomplished can the change or changes become effective. A notice embodying the text of the resolution adopted by the stockholders must then be published in a local newspaper once each week for three successive weeks.

All of the charter changes as provided for in Section 12 of the Banking Act may be adopted at any special meeting of stockholders, but in this case it is necessary to publish a notice of the meeting in a local newspaper once each week for three successive weeks and a notice must be mailed or delivered personally to each stockholder at least thirty days previous to the date of the meeting. In the case of a special meeting please request Form 12. No special publication is required other than that given for the annual meeting of the shareholders where changes are to be made at the regular stockholders' meeting.

We urge that where any changes in the charter are to be undertaken at the annual meeting this article be given careful consideration and that reference be made to Section 12 of the Banking Act.

Attention is directed, particularly, to the proposition of increasing or decreasing the number of directors. Such changes *can only* be accomplished under the provisions of Section 12. A resolution passed by the Board of Directors, authorizing an increase or decrease in the number of its members is without legal significance.

CHARTERS ISSUED						
			Capital	Surplus	Reserve	Date
Rock Island.....	Rock Island.....	Blackhawk State Bank Room No. 303 Central Trust Building, N.W. Corner 18th Street and 3rd Ave.	\$280,000.	\$35,000.	\$35,000.	Dec. 8, 1931
Hugh E. Curtis, President Morris S. Heagy, Cashier.						
CAPITAL STOCK DECREASED						
Shelbyville.....	Shelby.....	Shelby Loan & Trust Com- pany	From \$ 50,000 to	\$ 25,000.		Dec. 21, 1931
Hinsdale.....	DuPage.....	Hinsdale State Bank.....	From 100,000 to	50,000.		Dec. 24, 1931
CAPITAL STOCK INCREASED						
Summit (P. O. Argo).....	Cook.....	Argo State Bank.....	From \$ 50,000 to	\$ 75,000		Dec. 8, 1931
Shelbyville.....	Shelby.....	Shelby Loan & Trust Com- pany	From 25,000 to	75,000		Dec. 21, 1931
Hinsdale.....	DuPage.....	Hinsdale State Bank.....	From 50,000 to	100,000		Dec. 26, 1931
CHANGE OF PAR VALUE OF CAPITAL STOCK						
Shelbyville.....	Shelby.....	Shelby Loan & Trust Com- pany	From \$100 to	\$50		Dec. 21, 1931
LIQUIDATED						
Chicago.....	Cook.....	Mayfair State Savings Bank (Voluntary liquidation)...				Dec. 4, 1931
Camargo.....	Douglas.....	Camargo State Bank (Voluntary liquidation).....				Dec. 12, 1931
Pearl.....	Pike.....	Peoples State Bank of Pearl through Farmers State Bank, Pittsfield				Dec. 26, 1931
Littleton.....	Schuyler.....	Littleton State Bank through State Bank of Industry				Dec. 31, 1931
Chicago.....	Cook.....	Geringer & Storkan, Inc. (Voluntary liquidation)....				Dec. 31, 1931

DURATION EXTENDED

Greenfield.....Greene.....Farmers State Bank of Greenfield..... Dec. 14, 1931
 Charter extended 25 years from June 10, 1932

OTHER CHANGES

Shelbyville.....Shelby.....Shelby Loan & Trust Company assumed deposit liability of First National Bank of Shelbyville..... Dec. 21, 1931

CLOSED

Chicago.....Cook.....Taft and Company..... Dec. 1, 1931
 Preemption.....Mercer.....Farmers State Bank of Preemption..... Dec. 5, 1931
 Oregon.....Ogle.....Ogle County State Bank..... Dec. 7, 1931
 Chicago.....Cook.....Immigrant State Bank..... Dec. 9, 1931
 West Frankfort.....Franklin.....West Frankfort State Bank..... Dec. 9, 1931
 Amboy.....Lee.....Amboy State Bank..... Dec. 11, 1931
 Sheldon.....Iroquois.....State Bank of Sheldon..... Dec. 11, 1931
 New Boston.....Mercer.....State Bank of New Boston..... Dec. 11, 1931
 Prophetstown.....Whiteside.....Citizens State Bank of Prophetstown..... Dec. 12, 1931
 Monmouth.....Kankakee.....Parish State Bank..... Dec. 14, 1931
 Byron.....Ogle.....Byron State Bank..... Dec. 14, 1931
 Champaign.....Champaign.....University State Bank of Champaign..... Dec. 15, 1931
 Donovan.....Iroquois.....State Bank of Donovan..... Dec. 15, 1931
 Forest Park.....Cook.....Forest Park Trust & Savings Bank..... Dec. 15, 1931
 Maywood.....Cook.....Proviso State Bank..... Dec. 16, 1931
 Danforth.....Iroquois.....Farmers State Bank of Danforth..... Dec. 16, 1931
 Melrose Park.....Cook.....Melrose Park State Bank..... Dec. 17, 1931
 Maywood.....Cook.....Maywood State Bank..... Dec. 17, 1931
 Chicago.....Cook.....Ashland State Bank..... Dec. 17, 1931
 Park Ridge.....Cook.....Park Ridge State Bank..... Dec. 17, 1931
 Morrison.....Whiteside.....Morrison State Bank..... Dec. 17, 1931
 Watseka.....Iroquois.....The Citizens State Bank of Watseka..... Dec. 17, 1931
 Woodland.....Iroquois.....The Woodland State Bank..... Dec. 17, 1931
 Monroe Center.....Ogle.....Monroe Center State Bank..... Dec. 17, 1931
 Ashton.....Lee.....The Farmers State Bank of Ashton..... Dec. 17, 1931
 Kenpton.....Ford.....State Bank of Kenpton..... Dec. 18, 1931
 Cameron.....Warren.....State Bank of Cameron..... Dec. 19, 1931
 Dix.....Jefferson.....First State Bank of Dix..... Dec. 19, 1931
 Lombard.....DuPage.....Lombard State Bank..... Dec. 19, 1931
 Aledo.....Mercer.....Aledo State Bank..... Dec. 19, 1931
 Manteno.....Kankakee.....Citizens State Bank of Manteno..... Dec. 21, 1931
 Manteno.....Kankakee.....Manteno State and Savings Bank..... Dec. 21, 1931
 Monee.....Will.....Monee State Bank..... Dec. 24, 1931
 Sullivan.....Moultrie.....Merchants and Farmers State Bank..... Dec. 24, 1931
 Media.....Henderson.....Media State Bank..... Dec. 26, 1931
 Weldon.....DeWitt.....State Bank of Weldon..... Dec. 26, 1931
 Sandwich.....DeKalb.....Farmers Trust and Savings Bank..... Dec. 29, 1931
 Cutler.....Perry.....First State Bank of Cutler..... Dec. 29, 1931
 Easton.....Mason.....Corn State Bank of Easton..... Dec. 29, 1931
 Griggsville.....Pike.....Griggsville State Bank..... Dec. 29, 1931
 Lane.....De Witt.....State Bank of Lane..... Dec. 29, 1931
 Milmine.....Piatt.....Milmine State Bank..... Dec. 30, 1931
 Benson.....Woodford.....First State Bank of Benson..... Dec. 30, 1931

RECEIVERS APPOINTED

Loda.....Iroquois.....State Bank of Loda—G. B. Egley..... Dec. 5, 1931
 Chicago.....Cook.....Equitable Trust Company of Chicago—William J. Marsh..... Dec. 7, 1931
 Creston.....Ogle.....Farmers Bank of Creston—L. C. Lundgren..... Dec. 8, 1931
 Esmond.....DeKalb.....Esmond State Bank—L. C. Lundgren..... Dec. 8, 1931
 Saybrook.....McLean.....Saybrook Bank—Thomas E. Freed..... Dec. 8, 1931
 Burgess.....Mercer.....Farmers State Bank of Burgess—Harry R. Morgan..... Dec. 14, 1931
 Moline.....Rock Island.....Fifth Avenue Trust and Savings Bank—Robert A. Cole..... Dec. 23, 1931
 Preemption.....Mercer.....Farmers State Bank of Preemption—A. D. Simpson..... Dec. 24, 1931
 LaMoille.....Bureau.....LaMoille State Bank—Dorsey S. Dayton..... Dec. 26, 1931
 Oregon.....Ogle.....Ogle County State Bank—P. L. McDonald..... Dec. 28, 1931
 Morrison.....Whiteside.....Morrison State Bank—Charles W. McCall..... Dec. 30, 1931

TRUST CERTIFICATE ISSUED

Aurora.....Kane.....The First National Bank in Aurora..... Deposit \$50,000 Dec. 17, 1931

TRUST CERTIFICATES CANCELLED

Centralia.....Marion.....Merchants State Bank of Centralia, Illinois..... Dec. 8, 1931
 Evanston.....Cook.....Central State Bank of Evanston..... Dec. 15, 1931
 Danville.....Vermilion.....American Bank and Trust Co..... Dec. 31, 1931

RECAPITULATION

State Banks in Chicago..... 36
 State Banks in Cook County outside Chicago..... 57
 State Banks in Illinois outside Cook County..... 756
 Total..... 912

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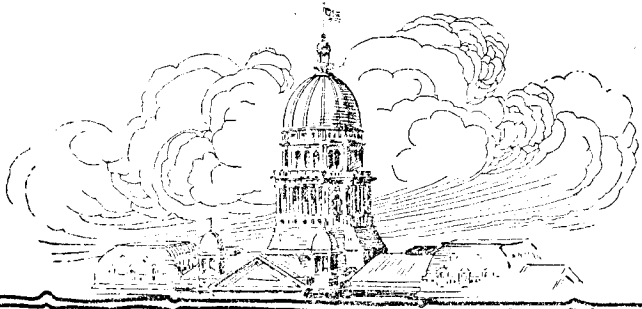
SPRINGFIELD, FEBRUARY 1, 1932

No. 11

HOARDING.

One word!—but it speaks volumes. It is the key to the present situation. As soon as the hoarded funds are let loose, so soon will we be back to a normal basis. Evidences of this trend are apparent. Banks, and that means bankers, have had a terrific fight against an unseen foe—Rumor. As the Chicago Journal of Commerce aptly puts it, "Let one dog in a community of a thousand dogs bay at the moon in its backyard and immediately the remaining nine hundred and ninety-nine will also howl. The latter is what the banks have had to fight against. One whisper grows at an unheard of rate until everyone is whispering." Let suspicion abate.

If the public will cast aside suspicion and become bank-minded again, there will be a surprising inflow of deposits which, in turn, will mean an end of the so-called "depression".



BONDS

The National and State Banking Supervisors have been criticized in the immediate past by bankers because the Comptroller, the Auditor, or as the case may be, the Bank Commissioner, has advocated the establishment, where none existed, and the increase, where one was maintained of a secondary reserve.

Bankers have said, "We bought these bonds at your request." So? Let us look for a moment at what the Department's Bulletins have had to say on this subject. We quote from one as follows:

"Before the investment account can be considered as a satisfactory secondary reserve it is quite necessary that the requirement of this Department be strictly adhered to; namely, the acquisition of 'readily marketable securities'."

In no instance has any banker been advised personally or through correspondence by anyone connected with the Banking Department to purchase any particular security or from any particular source. It is quite true that in following the requirements or suggestions, as the case may be, that banks have now on hand a number of bonds which have fluctuated considerably within the last few months and, doubtless, many of these securities are in the higher brackets as classified by certain recognized authorities. The intrinsic value of these bonds, however, has not been disturbed except as to fluctuation of price.

We still believe that banks should have a satisfactory secondary reserve. A number of reports have come to our desk within the past few months which showed but a small "fluctuation" and again in many other cases they have shown considerable "depreciation" owing to the number of defaulted issues. The latter we might say were issues selected and purchased without careful analysis by the banker.

A number of banks have had some defaulted issues to dispose of or charge down to the current market value but there is no arraignment of the advocacy of, nor of the insistence in the maintenance of a secondary reserve in this fact.

As has been stated before in our Monthly Bulletin and quoted from the American Bankers Association,

"The secondary reserve is composed of those income-producing assets by means of which funds may quickly be obtained whenever the primary reserve, consisting of cash in vaults and demand deposits with other banks, has been rendered inadequate for any reason to such an extent that it is necessary to replenish it."

During the restless time through which we are now passing hundreds of banks have reaped the benefit of their caution in selecting securities for their secondary reserve for the very reason that they were readily marketable.

Banks make investments by loaning money to customers on their notes either secured or unsecured and for many years they have been urged, not only by this Department but by all supervising powers to set aside from earnings a suitable reserve for contingencies. In other words, they have been requested to set aside a fund for losses. This is good business and has been so proven.

Therefore, it is in keeping that the bankers should be requested to provide for a reserve for "fluctuation" or "depreciation". It is equitable and beneficial.

PERMITS ISSUED.

			Capital	Surplus	Reserve	Date
Waukegan.....Lake.....	Citizens Bank and Trust Company of Waukegan. 210 Washington Street.	\$350,000	\$100,000	\$57,500		Jan. 22, 1932

CHARTERS ISSUED.

Rock Island....Rock Island....	Rock Island Bank and Trust Company Hugh E. Curtis, President. Harold W. Litten, Cashier.	900,000	200,000	100,000		Jan. 9, 1932
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CONSOLIDATION.

Rock Island....Rock Island....	Rock Island Savings Bank, Central Trust and Savings Bank, Manufacturers Trust and Savings Bank of Rock Island and Blackhawk State Bank under title Rock Island Bank and Trust Company.....					Jan. 9, 1932
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CHANGE OF PAR VALUE OF CAPITAL STOCK.

St. Peter.....Fayette.....	Farmers & Merchants State Bank of St. Peter.....				From \$100 to \$20	Jan. 26, 1932
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REOPENED.

Hutsonville....Crawford.....	Farmers & Merchants Bank of Hutsonville.....					Jan. 15, 1932
Johnston City..Williamson....	Johnston City State Bank.....					Jan. 16, 1932

DURATION EXTENDED.

Varna.....Marshall.....	Marshall County State Bank--Charter extended 50 years from February 2, 1932.....					Jan. 18, 1932
Blue Mound....Macon.....	The State Bank of Blue Mound--Charter extended 20 years from October 29, 1932.....					Jan. 26, 1932

LIQUIDATED.

Peotone.....Will.....	Citizens State Bank of Peotone through Peotone State Bank					Jan. 2, 1932
Caroo.....Macon.....	Crocker & Co. Bankers (Voluntary liquidation).....					Jan. 11, 1932
Mortonwood....Gallatin....	State Bank of Cottonwood through Gallatin County Bank, Ridgway					Jan. 13, 1932
Hume.....Edgar.....	The Hughes State Bank through First National Bank, Hume					Jan. 16, 1932
Vernon.....Marion.....	Farmers & Merchants State Bank of Vernon through First State Bank of Patoka.....					Jan. 21, 1932
Cutler.....Perry.....	First State Bank of Cutler through State Bank of Steeleville					Jan. 27, 1932
Ellis Grove....Randolph....	Bank of Ellis Grove through The First State Bank of Chester					Jan. 30, 1932

CLOSED.

Chicago	Heights.....Cook.....	First State Bank of Chicago Heights.....				Jan. 1, 1932
	Tiskilwa.....Bureau.....	The First State Bank of Tiskilwa.....				Jan. 2, 1932
	Pecatonica....Winnebago....	Farmers State Bank of Pecatonica.....				Jan. 2, 1932
	Creal Springs..Williamson....	Citizens State Bank of Creal Springs.....				Jan. 2, 1932
	Crete.....Will.....	Farmers State Bank of Crete.....				Jan. 4, 1932
	Mount Olive...Macoupin....	Mount Olive State Bank.....				Jan. 5, 1932
	Panama.....Montgomery..	State Bank of Panama.....				Jan. 6, 1932
	Clinton.....DeWitt.....	State Bank of Clinton.....				Jan. 6, 1932
	Steger.....Cook.....	First State Bank of Steger.....				Jan. 6, 1932
Chicago	Heights.....Cook.....	Commercial Bank of Chicago Heights.....				Jan. 8, 1932
	Dowell.....Jackson.....	Union State Bank of Dowell.....				Jan. 8, 1932
	Fillmore.....Montgomery..	The Fillmore Bank.....				Jan. 8, 1932
	Harvey.....Cook.....	Bank of Harvey.....				Jan. 9, 1932
	Elgin.....Kane.....	Home Trust and Savings Bank.....				Jan. 12, 1932
	San Jose.....Mason.....	San Jose State Bank.....				Jan. 12, 1932
	Mendota.....LaSalle.....	Farmers and Merchants State Bank of Mendota.....				Jan. 13, 1932
	Delavan.....Tazewell.....	Baldwin State Bank of Delavan.....				Jan. 13, 1932
	Minier.....Tazewell.....	Minier State Bank.....				Jan. 15, 1932
	Havana.....Mason.....	Mason County Bank.....				Jan. 15, 1932
	Mason City....Mason.....	New Farmers State Bank.....				Jan. 15, 1932
	Mason City....Mason.....	Central Illinois State Bank.....				Jan. 15, 1932
	Chicago.....Cook.....	Kimball Trust and Savings Bank.....				Jan. 16, 1932
	Cerro Gordo...Piatt.....	State Bank of Cerro Gordo.....				Jan. 16, 1932
	Chicago.....Cook.....	West-City Trust and Savings Bank.....				Jan. 16, 1932
	Chicago.....Cook.....	Depositors State Bank.....				Jan. 16, 1932
	Greenview....Menard.....	Greenview State Bank.....				Jan. 16, 1932
	Champaign....Champaign..	The Commercial Bank of Champaign.....				Jan. 18, 1932
	Milledgeville..Carroll.....	Shumway State Bank.....				Jan. 18, 1932
	Nokomis.....Montgomery..	Nokomis State Bank.....				Jan. 18, 1932
	Newark.....Kendall.....	Farmers State Bank of Newark.....				Jan. 19, 1932
	Chicago.....Cook.....	Service State Bank.....				Jan. 19, 1932
	Chicago.....Cook.....	Stockmens Trust and Savings Bank.....				Jan. 19, 1932
	Elmwood Park..Cook.....	Westwood State Bank.....				Jan. 19, 1932
	Millington....Kendall.....	First State Bank of Millington, Ill.....				Jan. 20, 1932
	Perry.....Pike.....	Perry State Bank.....				Jan. 20, 1932
	Bellflower....McLean.....	Exchange State Bank of Bellflower.....				Jan. 20, 1932
	Farmington....Pulton.....	Alfred C. Steenburg & Co.....				Jan. 21, 1932
	Danvers.....McLean.....	Farmers State Bank of Danvers.....				Jan. 21, 1932

Mattoon.....Coles.....	Central Illinois Trust & Savings Bank.....	Jan. 22, 1932
Glasford.....Peoria.....	Farmers State Bank of Glasford.....	Jan. 22, 1932
Joliet.....Will.....	Joliet Trust and Savings Bank.....	Jan. 23, 1932
Chicago.....Cook.....	Morgan Park Trust & Savings Bank.....	Jan. 23, 1932
Ohio.....Bureau.....	First State Bank of Ohio.....	Jan. 25, 1932
Colfax.....McLean.....	Farmers State Bank of Colfax.....	Jan. 25, 1932
Macon.....Macon.....	Farmers State Bank of Macon.....	Jan. 25, 1932
Stonington.....Christian.....	The First State Bank of Stonington.....	Jan. 25, 1932
Barrington.....Cook.....	First State Bank of Barrington.....	Jan. 27, 1932
Hanna City.....Peoria.....	Hanna City State Bank.....	Jan. 27, 1932
Hamburg.....Calhoun.....	Bank of Hamburg.....	Jan. 27, 1932
Seneca.....LaSalle.....	State Bank of Seneca.....	Jan. 28, 1932
Sigel.....Shelby.....	Peoples State Bank of Sigel.....	Jan. 28, 1932
Chicago.....Cook.....	The Wiersema State Bank.....	Jan. 28, 1932

RECEIVERS APPOINTED.

Casey.....Clark.....	Eagle State Bank—Howard T. Bach.....	Jan. 2, 1932
Forest Park.....Cook.....	Forest Park Trust & Savings Bank—Arthur D. Rehm.....	Jan. 4, 1932
Prophetstown.....Whiteside.....	Citizens State Bank of Prophetstown—Paul D. Carlson.....	Jan. 5, 1932
Ashton.....Lee.....	The Farmers State Bank of Ashton—Harry G. Wright.....	Jan. 5, 1932
Amboy.....Lee.....	Amboy State Bank—Harry G. Wright.....	Jan. 5, 1932
Sandwich.....DeKalb.....	Farmers Trust and Savings Bank—Harry G. Wright.....	Jan. 5, 1932
Chicago.....Cook.....	Ashland State Bank—John J. Callahan.....	Jan. 7, 1932
Champaign.....Champaign.....	University State Bank of Champaign—August C. Meyer.....	Jan. 7, 1932
Maywood.....Cook.....	Proviso State Bank—Charles Heller.....	Jan. 7, 1932
Cameron.....Warren.....	State Bank of Cameron—T. D. Allen.....	Jan. 8, 1932
Park Ridge.....Cook.....	Park Ridge State Bank—H. E. Robertson.....	Jan. 9, 1932
Melrose Park.....Cook.....	Melrose Park State Bank—Louis E. Rogers.....	Jan. 9, 1932
Manteno.....Kankakee.....	Manteno State and Savings Bank—L. B. Rogers.....	Jan. 9, 1932
Manteno.....Kankakee.....	Citizens State Bank of Manteno—L. B. Rogers.....	Jan. 9, 1932
Weldon.....DeWitt.....	State Bank of Weldon—Harry T. Swigart.....	Jan. 9, 1932
Chicago.....Cook.....	Immigrant State Bank—George S. Lurie.....	Jan. 11, 1932
Sheldon.....Iroquois.....	Citizens State Bank and Trust Co. of Sheldon—R. F. Karr.....	Jan. 11, 1932
Sheldon.....Iroquois.....	State Bank of Sheldon—R. F. Karr.....	Jan. 11, 1932
Donovan.....Iroquois.....	State Bank of Donovan—Wm. Winslow.....	Jan. 11, 1932
Maywood.....Cook.....	Maywood State Bank—Harry L. Randall.....	Jan. 12, 1932
Momence.....Kankakee.....	Parish State Bank—O. A. Burdick.....	Jan. 12, 1932
New Boston.....Mercer.....	State Bank of New Boston—H. G. Peterson.....	Jan. 12, 1932
Lane.....DeWitt.....	State Bank of Lane—W. F. Smith.....	Jan. 12, 1932
Byron.....Ogle.....	Byron State Bank—J. A. Kadel.....	Jan. 12, 1932
Monroe Center.....Ogle.....	Monroe Center State Bank—Harry G. Wright.....	Jan. 14, 1932
Adrian.....Hancock.....	State Bank of Adrian—Edgar Underwood.....	Jan. 15, 1932
Sullivan.....Moultrie.....	Merchants and Farmers State Bank—Chas. A. Gregory.....	Jan. 16, 1932
Monee.....Will.....	Monee State Bank—P. M. Collins.....	Jan. 16, 1932
Media.....Henderson.....	Media State Bank—J. H. Arnold.....	Jan. 16, 1932
West Frankfort.....Franklin.....	West Frankfort State Bank—H. L. Nelson.....	Jan. 16, 1932
Lombard.....DuPage.....	Lombard State Bank—Thomas C. Hull.....	Jan. 18, 1932
Panama.....Montgomery.....	State Bank of Panama—T. W. Kinzer.....	Jan. 19, 1932
Mount Olive.....Macoupin.....	Mount Olive State Bank—W. E. Schmidt.....	Jan. 19, 1932
Dowell.....Jackson.....	Union State Bank—W. O. Druke.....	Jan. 22, 1932
Tiskilwa.....Bureau.....	The First State Bank of Tiskilwa—E. C. Coppins.....	Jan. 23, 1932
Hutsonville.....Crawford.....	Newlin State Bank—John T. Smith.....	Jan. 23, 1932
Watseka.....Iroquois.....	The Citizens State Bank of Watseka—Durl M. Meents.....	Jan. 25, 1932
Clinton.....DeWitt.....	State Bank of Clinton—Grover W. Watson.....	Jan. 25, 1932
Delavan.....Tazewell.....	Baldwin State Bank of Delavan—John H. Shade.....	Jan. 25, 1932
Aledo.....Mercer.....	Aledo State Bank—Harry O. Baner.....	Jan. 26, 1932
Griggsville.....Pike.....	Griggsville State Bank—H. S. Miller.....	Jan. 26, 1932
Perry.....Pike.....	Perry State Bank—H. S. Miller.....	Jan. 26, 1932
Crete.....Will.....	Farmers State Bank of Crete—P. M. Collins.....	Jan. 27, 1932
Pecatonica.....Winnebago.....	Farmers State Bank of Pecatonica—Fred Haines.....	Jan. 27, 1932
Easton.....Mason.....	Corn State Bank of Easton—J. B. Norris.....	Jan. 28, 1932
Minier.....Tazewell.....	Minier State Bank—E. R. Rhoades.....	Jan. 28, 1932
Nokomis.....Montgomery.....	Nokomis State Bank—T. W. Stehlin.....	Jan. 30, 1932
Benson.....Woodford.....	First State Bank of Benson—M. L. Harper.....	Jan. 30, 1932

TRUST CERTIFICATE ISSUED.

Rock Island.....Rock Island.....	Rock Island Bank and Trust Company.....	Deposit \$125,000	Jan. 9, 1932
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TRUST CERTIFICATES CANCELLED.

Rock Island.....Rock Island.....	Rock Island Savings Bank.....	Jan. 9, 1932
Rock Island.....Rock Island.....	Central Trust and Savings Bank.....	Jan. 9, 1932
Rock Island.....Rock Island.....	Manufacturers Trust and Savings Bank of Rock Island.....	Jan. 9, 1932
Peru.....LaSalle.....	Peru National Bank.....	Jan. 18, 1932
Belvidere.....Boone.....	First National Bank of Belvidere.....	Jan. 25, 1932

RECAPITULATION.

State Banks in Chicago.....	92
State Banks in Cook County outside Chicago.....	51
State Bank in Illinois outside Cook County.....	711
Total.....	854

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SPRINGFIELD, ILL., MARCH 1, 1932

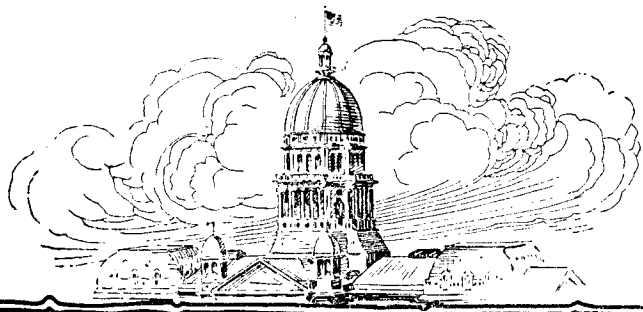
No. 12

OFFICERS' LOANS

* * * *

Reports of examinations show in some instances that carelessness exists regarding Officers' borrowings. The Banking Law is quite plain and very emphatic on this matter and we call attention to the last paragraph of Section Ten of the Banking Act which provides:

"It shall not be lawful for any bank to loan to its president, or to any of its vice-presidents or its salaried officers or employees, or to corporations or firms controlled by them, or in the management of which any of them are actively engaged, until an application for such loan shall have been first approved, both as to security and amount, by the board of directors."



Much interest has been evinced in the Government's reconstruction program. Congress has passed an appropriation bill providing for the ultimate use of \$2,000,000,000—approximately one-fourth of which will be available as soon as the machinery is put into motion for the operation of the corporation. This is the task of General Chas. G. Dawes who has already called together a corps of able assistants and plans are being formulated and offices have been established in the twelve Federal Reserve Districts.

The law creating the fund provides that loans can be made to Banks, Building and Loan Associations, Credit Unions, Joint Stock Land Banks, Federal Land Banks, Federal Intermediate Credit Banks, live stock corporations and agricultural credit corporations, insurance companies, mortgage loan companies or liquidating agents of closed banks.

We quote in part from Circular No. 1 issued by the corporation:

"Loans may be made for such periods as the corporation may approve, having regard to the circumstances of each case, not exceeding three years. The rates of interest or discount will be determined by the corporation from time to time.

"The Act provides that all such loans made by the corporation must be fully and adequately secured. It also provides that no loan or advance may be made upon foreign securities or foreign acceptances as collateral.

"A form of application has been prepared and may be obtained from the corporation at Washington, D. C., or from any Federal Reserve Bank or branch thereof. (For banks in the Seventh Federal Reserve District address Howard M. Sims, Manager Loan Agency, Reconstruction Finance Corporation, 164 W. Jackson Boulevard, Chicago, and for banks in the Eighth Federal Reserve District address O. M. Attebery, Manager Loan Agency, Reconstruction Finance Corporation, Federal Reserve Bank Building, St. Louis, Missouri.) Applications for loans should be made on the prescribed form.

"Sufficient information should be submitted to enable the corporation to determine promptly the financial condition of the applicant, and the reasonable value of the security offered. Such information should include financial statements of the makers of collateral notes or true copies thereof, and appropriate data on mortgages and unlisted securities, including copies of recent appraisals covering real estate securing mortgage loans. Collateral listed in the application must be considered and valued by the officers authorized to execute the application."

The Legislature has passed a bill to which the Governor has affixed his signature providing for the release from responsibility by County Collectors for all funds deposited in accordance with the provisions of the Act.

The Statute is as follows:

"In each county of the State having a population of less than 150,000 it shall be the duty of the county board, when requested by the county collector, to designate a bank or banks or other depository in which funds and moneys received by him in the collection of taxes may be deposited, and the county collector shall be discharged from responsibility for all such funds and moneys which he deposits in a depository so designated.

"No bank shall be qualified to receive such funds or moneys until it has furnished the county board with copies of the last two sworn statements of resources and liabilities which such bank is required to furnish to the Auditor of Public Accounts or to the Comptroller of Currency. Each bank designated as a depository for such funds or moneys shall furnish the county board with a copy of all bank statements which it is required to furnish to the Auditor of Public Accounts or to the Comptroller of Currency while acting as such depository; provided, that if such funds or moneys are deposited in a bank, the amount of such deposits shall not exceed seventy-five per cent of the capital stock and surplus of such bank, and the county collector shall not be discharged from responsibility for any such funds or moneys deposited in any bank in excess of such limitation."

Companion bills have been enacted and signed by the Governor which apply respectively to city and village treasurers (except the City of Chicago); county treasurers (except Cook County); township treasurers (except Cook County) as school district treasurers; supervisors as treasurers of town funds and supervisors or clerks of road districts as treasurers of road district funds. The Acts provide that the governing board of the various subdivisions shall, when requested by the officials acting as treasurers, designate the banks in which the funds of the respective treasurers shall be deposited and, as provided in the Act quoted above, banks so designated as depositories are required to furnish copies of the last two statements of their assets and liabilities to the Auditor of Public Accounts or the Comptroller of Currency, as the case may be, after which they may be qualified to accept deposits of the funds in the hands of the various treasurers in the State.

They must continue to furnish copies of their Call Reports to the supervising authority as indicated above.

		PERMITS ISSUED				
		Capital	Surplus	Reserve	Date	
Byron.....	Ogle.....	Rock River Community Bank	\$50,000.	\$10,000.	\$2,500	Feb. 17, 1932
CAPITAL STOCK DECREASED						
Quincy.....	Adams.....	State Street Bank and Trust Company	From \$500,000 to \$300,000.			Feb. 9, 1932
REOPENED						
Eddyville.....	Pope.....	State Bank of Eddyville, Eddyville, Ills.				Feb. 2, 1932
Laura.....	Peoria.....	Laura State Bank				Feb. 3, 1932
LaFayette.....	Stark.....	LaFayette State Bank				Feb. 23, 1932

CHANGE OF LOCATION
 Chicago.....Cook.....State Bank of Chicago from 33 North LaSalle Street,
 Chicago, to 38 South Dearborn Street, Chicago..... Feb. 25, 1932

OTHER CHANGES
 Mounds.....Pulaski.....The First State Bank of Mounds assumed deposit
 liability of First National Bank, Mounds..... Feb. 10, 1932

LIQUIDATED
 Milwauke.....Pitt.....Milwauke State Bank through State Bank of Bement Feb. 2, 1932
 Equality.....Gallatin.....Equality State Bank through First Trust & Savings
 Bank of Harrisburg..... Feb. 13, 1932

CLOSED
 Leland.....LaSalle.....Farmers and Merchants State Bank of Leland..... Feb. 2, 1932
 Polo.....Ogle.....Polo State Bank..... Feb. 3, 1932
 Niles.....Cook.....State Bank of Niles..... Feb. 5, 1932
 Bonnie.....Jefferson.....Bank of Bonnie..... Feb. 8, 1932
 Cicero.....Cook.....Baker State Bank..... Feb. 10, 1932
 Rochelle.....Ogle.....Peoples Loan & Trust Company..... Feb. 11, 1932
 Winnetka.....Cook.....Hubbard Woods Trust & Savings Bank..... Feb. 15, 1932
 Chicago.....Cook.....Kauffman State Bank of Chicago..... Feb. 17, 1932
 Homer.....Champaign.....Raynor-Babb State Bank..... Feb. 20, 1932
 Apple River.....Jodavians.....Bank of Apple River..... Feb. 22, 1932
 Neponset.....Bureau.....The Whaples & Farmers State Bank..... Feb. 25, 1932

RECEIVERS APPOINTED
 Elmwood Park.....Cook.....Westwood State Bank—Einer S. Liljeberg..... Feb. 1, 1932
 Elgin.....Kane.....Home Trust and Savings Bank—George H. Andresen Feb. 1, 1932
 Newark.....Kendall.....Farmers State Bank of Newark—R. C. Hanchette.... Feb. 2, 1932
 Millington.....Kendall.....First State Bank of Millington, Ill.—R. C. Hanchette Feb. 2, 1932
 Steger.....Cook.....First State Bank of Steger—B. J. Schwoeffermann.. Feb. 2, 1932

Chicago
 Heights.....Cook.....Commercial Bank of Chicago Heights—B. J. Schwoef-
 fermann Feb. 2, 1932
 Chicago.....Cook.....Service State Bank—Y. Bryniklssen Feb. 2, 1932

Chicago
 Heights.....Cook.....First State Bank—Martin J.
 Maney Feb. 3, 1932
 San Jose.....Mason.....San Jose State Bank—B. F. Chestnut..... Feb. 5, 1932
 Greenview.....Menard.....Greenview State Bank—Harry Aden..... Feb. 8, 1932
 Havana.....Mason.....Mason County Bank—Fred Trimpe..... Feb. 9, 1932
 Chicago.....Cook.....Depositors State Bank—Frank L. Webb..... Feb. 9, 1932

Chicago.....Cook.....West-City Trust and Savings Bank—Charles E.
 Ummach Feb. 9, 1932
 Chicago.....Cook.....Kimbell Trust and Savings Bank—Charles E. Ummach Feb. 9, 1932
 Bellflower.....McLean.....Exchange State Bank of Bellflower—Thomas E. Freed Feb. 9, 1932
 Kempton.....Ford.....State Bank of Kempton—Orville J. Wilson..... Feb. 9, 1932
 Hamburg.....Calhoun.....Bank of Hamburg—Edward F. Lanzer..... Feb. 11, 1932

Chicago.....Cook.....Stockmens Trust and Savings Bank—Willard F. Cum-
 mings Feb. 11, 1932
 Stonington.....Christian.....The First State Bank of Stonington—C. S. Stokes.. Feb. 11, 1932
 Macon.....Macon.....Farmers State Bank of Macon—J. F. Van Gundy.... Feb. 12, 1932

Leland.....LaSalle.....Farmers and Merchants State Bank of Leland—
 Leslie Hanson Feb. 18, 1932
 Colfax.....McLean.....Farmers State Bank of Colfax—C. E. Irvin..... Feb. 18, 1932
 Ohio.....Bureau.....First State Bank of Ohio—G. P. Seibel..... Feb. 18, 1932
 Seneca.....LaSalle.....State Bank of Seneca—M. J. Hogan..... Feb. 18, 1932

Mendota.....LaSalle.....Farmers and Merchants State Bank of Mendota—
 Vincent J. Ream Feb. 18, 1932
 Milledgeville.....Carroll.....Shamway State Bank—W. R. Clough..... Feb. 18, 1932
 Joliet.....Will.....Joliet Trust and Savings Bank—J. E. Morrison..... Feb. 20, 1932
 Danvers.....McLean.....Farmers State Bank of Danvers—E. M. Evans..... Feb. 23, 1932
 Sesser.....Franklin.....Sesser State Bank—Thomas Sweeney..... Feb. 23, 1932
 (F. J. Chapman, Receiver—deceased.)

Woodland.....Iroquois.....The Woodland State Bank—Robert R. Kohlman..... Feb. 24, 1932
 Chicago.....Cook.....Morgan Park Trust & Savings Bank—Robert C. Mc-
 Manus Feb. 25, 1932
 Chicago.....Cook.....The Wiersema State Bank—Adolph S. Helquist..... Feb. 25, 1932
 Barrington.....Cook.....First State Bank of Barrington—William Busse, Jr. Feb. 25, 1932

Niles.....Cook.....State Bank of Niles—H. E. Robertson..... Feb. 25, 1932
 Cicero.....Cook.....Baker State Bank—Frank J. Kohout..... Feb. 26, 1932
 Polo.....Ogle.....Polo State Bank—W. T. Schell..... Feb. 26, 1932
 Bonnie.....Jefferson.....Bank of Bonnie—Sam Edwards..... Feb. 29, 1932
 Farmington.....Fulton.....Alfred C. Steenburg & Co.—W. H. Carver..... Feb. 29, 1932

TRUST CERTIFICATES CANCELLED
 Chicago.....Cook.....Albany Park National Bank and Trust Company..... Feb. 3, 1932
 Danville.....Vernilion.....Commercial Trust and Savings Bank..... Feb. 19, 1932

RECAPITULATION
 State Banks in Chicago 91
 State Banks in Cook County outside Chicago..... 7
 State Banks in Illinois outside Cook County..... 7
 Total 845

MONTHLY BULLETIN

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OSCAR NELSON
AUDITOR of PUBLIC ACCOUNTS
BANKING DEPARTMENT
State of Illinois

Vol. 8

SPRINGFIELD, ILL., APRIL 1, 1932

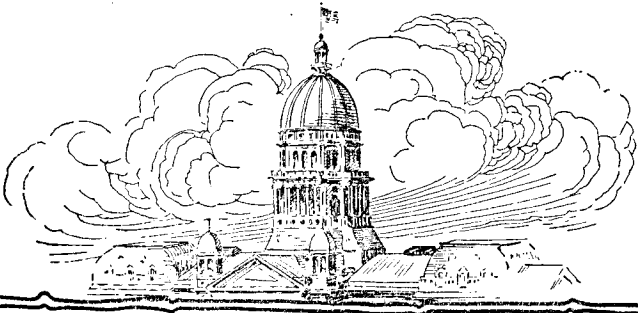
No. 1

TWO BIG FEATURES

The Government has entered into plans for the improvement of business conditions which, undoubtedly, are unprecedented. One, the Reconstruction Finance Corporation under the supervision of General Chas. G. Dawes, undertaken to refinance frozen credits; two, the anti-hoarding committee headed by Col. Frank Knox, engaged in coaxing from hiding places dollars which have been retired from circulation.

Both are highly laudable plans and every encouragement possible should be rendered, not only by those actively engaged in the management of banks but by the directorate of these institutions as well, and through them to the citizens of the various communities. Both of these gigantic plans are promulgated primarily for the reestablishment of weakened credit and to be successful must have the whole-hearted cooperation of everyone.

From general reports received, results so far attained have been quite satisfactory.



DEPOSIT AND COLLECTION OF CHECKS

Many inquiries have been received concerning the above caption which bankers are of the opinion in many instances is an amendment to the Banking Act, but such is not the case.

The "Deposit and Collection of Checks" was passed at the regular session of the Legislature as House Bill No. 349 and was approved as a law July 8, 1931. It provides for what it known as a Uniform Bank Collection Code. It establishes the liability of a bank with respect to collections and deposits. Before the enactment of this Act there was considerable uncertainty as to the liability of a bank to depositors with respect to collections and other matters and it was necessary for the banks to fix and limit their liability to the depositors by an agreement. This has been obviated by the passage of the Act.

Many requests have been received for the provisions relative to "Insolvency and Preferences" which we quote as follows:

"When the drawee or payor, or any other agent collecting bank shall fail or be closed for business by the Auditor of Public Accounts in the case of banks incorporated under the laws of this State, or the Comptroller of the Currency in the case of banks incorporated under the Federal laws, or by action of the board of directors or by other proper legal action, after an item shall be mailed or otherwise entrusted to it for collection or payment but before the actual collection or payment thereof, it shall be the duty of the receiver or other official in charge of its assets to return such item, if same is in his possession, to the forwarding or presenting bank with reasonable diligence.

"Except in cases where an item or items is treated as dishonored by non-payment as provided in section 11, when a drawee or payor bank has presented to it for payment an item or items drawn upon or payable by or at such bank and at the time has on deposit to the credit of the maker or drawer an amount equal to such item or items and such drawee or payor shall fail or close for business as above, after having charged such item or items to the account of the maker or drawer thereof or otherwise discharged his liability thereon but without such item or items having been paid or settled for by the

drawee or payor either in money or by an unconditional credit given on its books or on the books of any other bank, which has been requested or accepted so as to constitute such drawee or payor, or other bank debtor therefor, the assets of such drawee or payor, shall be impressed with a trust in favor of the owner or owners of such item or items for the amount thereof, or for the balance payable upon a number of items which have been exchanged, and such owner or owners shall be entitled to a preferred claim upon such assets, irrespective of whether the fund representing such item or items can be traced and identified as part of such assets or has been intermingled with or converted into other assets of such failed bank.

"Where an agent collecting bank other than the drawee or payor shall fail or be closed for business as above, after having received in any form the proceeds of an item or items entrusted to it for collection, but without such item or items having been paid or remitted for by it either in money or by an unconditional credit given on its books or on the books of any other bank which has been requested or accepted so as to constitute such failed collecting or other bank debtor therefor, the assets of such agent collecting bank which has failed or been closed for business as above shall be impressed with a trust in favor of the owner or owners of such item or items for the amount of such proceeds and such owner or owners shall be entitled to a preferred claim upon such assets, irrespective of whether the fund representing such item or items can be traced and identified as part of such assets or has been intermingled with or converted into other assets of such failed bank."

FROZEN ASSETS

Carroll, Iowa.

Describing "frozen assets" from a new and different angle, one Carroll County man is positive he can repay a loan in six weeks.

He visited a bank, seeking money to meet immediate needs and promising it would be repaid in six weeks. Asked why he was positive the loan could be repaid, he replied:

"Well, the frost will be out of the ground in that time and I can dig up my money jar."—*The American Banker*.

PERMITS ISSUED.

	Capital	Sur- plus	Re- serve	Date
Glasford.....Peoria.....Glasford State Bank.....	\$50,000	\$ 5,000	\$2,500	Mar. 4, 1932
Downers Grove.....DuPage.....The Downers Grove Com- munity Bank	75,000	20,000	5,000	Mar. 10, 1932
Mason City.....Mason.....Mason City State Bank..... 5134 Main St. 129 East Chestnut St.	50,000	5,000	2,500	Mar. 30, 1932

REOPENED.

Brimfield.....Peoria.....Exchange State Bank of Brimfield.....				Mar. 7, 1932
Dix.....Jefferson.....First State Bank of Dix.....				Mar. 10, 1932
Cerro Gordo.....Piatt.....State Bank of Cerro Gordo.....				Mar. 18, 1932
Danforth.....Iroquois.....Farmers State Bank of Danforth.....				Mar. 22, 1932
Mattoon.....Coles.....Central Illinois Trust & Savings Bank.....				Mar. 28, 1932

LIQUIDATED.

Chicago.....Cook.....Taft and Company.....				Mar. 1, 1932
Sigel.....Shelby.....Peoples State Bank of Sigel through Effingham State Bank				Mar. 1, 1932
Springfield.....Sangamon.....American Banking Company of Springfield.....				Mar. 5, 1932
Bushnell.....McDonough.....Bank of Bushnell through Farmers and Merchants State Bank of Bushnell.....				Mar. 19, 1932
Robinson.....Crawford.....The Farmers and Producers Bank through The Sec- ond National Bank of Robinson, Illinois.....				Mar. 19, 1932
Robinson.....Crawford.....The Robinson State Bank through The Second Na- tional Bank of Robinson, Illinois.....				Mar. 19, 1932

OTHER CHANGES.

St. Peter.....Fayette.....Farmers & Merchants State Bank of St. Peter assumed deposit liability of First National Bank of St. Peter.....				Mar. 25, 1932
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CLOSED.

Basco.....Hancock.....Basco State Bank.....				Mar. 8, 1932
Cissna Park.....Iroquois.....Iroquois County State Bank.....				Mar. 8, 1932
Leaf River.....Ogle.....Leaf River State Bank.....				Mar. 14, 1932
Tampico.....Whiteside.....Tampico State Bank.....				Mar. 18, 1932
Sadorus.....Champaign.....Farmers First State Bank of Sadorus.....				Mar. 28, 1932
Chana.....Ogle.....Chana Banking Company.....				Mar. 29, 1932

RECEIVERS APPOINTED.

Harvey.....Cook.....Bank of Harvey—R. A. Pascoe.....				Mar. 1, 1932
Fillmore.....Montgomery.....The Fillmore Bank—E. A. Murray.....				Mar. 1, 1932
Apple River.....Jodavies.....Bank of Apple River—James W. Jagger.....				Mar. 8, 1932
Chicago.....Cook.....Kaufman State Bank of Chicago—Fred W. Allen.....				Mar. 8, 1932
Rochelle.....Ogle.....Peoples Loan & Trust Company—C. P. Herrick.....				Mar. 15, 1932
Cissna Park.....Iroquois.....Iroquois County State Bank—G. B. Egley.....				Mar. 15, 1932
Neponset.....Bureau.....The Whaples & Farmers State Bank—C. A. Siming- ton				Mar. 17, 1932

TRUST CERTIFICATE ISSUED.

	Deposit	Date
Chicago.....Cook.....The Terminal National Bank of Chicago..	\$200,000	Mar. 15, 1932

TRUST CERTIFICATES CANCELLED.

Evanston.....Cook.....Commercial Trust & Savings Bank of Evanston...		Mar. 15, 1932
Peoria.....Peoria.....Dime Savings & Trust Co.....		Mar. 30, 1932

RECAPITULATION

State Banks in Chicago	91
State Banks in Cook County outside Chicago.....	48
State Banks in Illinois outside Cook County.....	701
Total	840

MONTHLY BULLETIN

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State of Illinois

Vol. 8

SPRINGFIELD, ILL., MAY 1, 1932

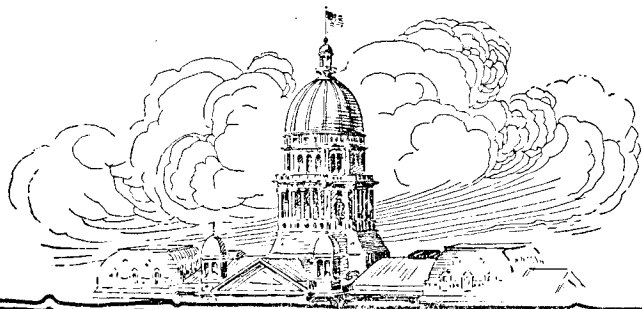
No. 2

ONE DEFINITE RESULT

As an aftermath of the "recent unpleasantness" there will be many suggestions as to how to prevent bank failures in the future.

Magazines devoted to banking interests are carrying articles anent this subject and while there are many thoughts submitted that may develop as impractical, yet there seems to be some crystalization on the view expressed more often than any other relative to taking the public into the confidence of the banker.

A fuller explanation of the methods of banking will be necessary in all advertising of the banks and those who put forward this idea are of the opinion that confidence will be established and maintained in this manner.



FIDUCIARY ACCOUNTS

Some confusion has been manifest in certain quarters regarding accounts of administrators, guardians, executors, etc., in banks.

These balances are controlled by individuals and have no relation to any trust account. Banks cannot accept deposits of cash or securities as trustee in connection with trust estates without first having qualified to do a trust business under Section Six of the Trust Act. The Charter of every State Bank provides that the institution may accept and execute trusts but this franchise is regulated by the Trust Act requiring a deposit of securities to protect such trust estates as are consigned to the Trust Department of the bank for administration.

When an individual opens an account with a bank acting as a fiduciary there are certain obligations imposed upon the institution accepting the deposit. Care should be taken to see that checks are properly drawn against the account and that the proceeds are not deposited to the individual's account.

The idea, however, that such an account is in the nature of a trust and calls for preference in case of the bank's liquidation is erroneous.

In case of doubt consult your attorney.

EARNINGS, EXPENSES, AND DIVIDENDS

In compiling the reports of Earnings, Expenses and Dividends, it has been the practice of a considerable number of banks, in cases where a loss has been sustained on securities sold, to indicate the amount of the loss in red in item 1 (h) (Profit on securities sold) and deduct the amount from the total of Gross Earnings. This method understates the correct amount of Gross Earnings and, consequently, does not truly reflect Net Earnings. The proper procedure, in instances where a loss occurs on securities sold, is to enter the amount in item 5 (b) (Losses on bonds, stocks and other securities) in Section 2.

Another common error in these reports is the omission of the statistical information requested at the bottom of this report, especially in the number of savings depositors (2) and number of time certificate holders (7).

Again we ask that these blank forms be executed as instructions require. Every transaction in connection with a bank's earning account can be set forth under appropriate headings if the blank form is thoroughly read before mailing.

PUBLISHED CALL REPORTS

Attention of those responsible for the execution of call reports is directed to the fact that the report published must be an exact counterpart of the report filed with the Auditor. Carelessness is noted in a large number of instances, particularly, with regard to the omission of the word "Seal". It is suggested that when the proof for the Call is received from the printer it be thoroughly checked with the copy furnished the Department to prevent transposition of items, omissions or other errors which might require republication.

COLLATERAL NOTES

In some instances Examiners find carelessness in connection with collateral held for loans. This matter is of prime importance. Bankers often aver that certain collateral held in the vault is security for particular loans. It is almost impossible to establish the fact for several reasons. One is that if the securities are in stocks they are often in the name of some one other than the maker of the note and no power of attorney or hypothecation is in evidence. Again, the note does not recite that it is secured, or if it does, the collateral is not described. In other cases bankers use an ordinary note form and inscribe thereon "Secured by Collateral". This may be a clue but it does not definitely establish the kind nor amount. If the note is not properly executed in collateral form it is difficult for the Examiner to obtain the knowledge which is pertinent to the proper classification of the loan.

Examiners make their reports from the information received in the bank under examination and unless a note definitely indicates that it is secured by collateral the Examiner cannot possibly be expected to give credit to the loan for security, and if the note designates security in a general way then it is still impossible in a majority of cases for the Examiner to determine such collateral as may apply to specific notes.

The phraseology of a collateral note is quite important. It is, therefore, suggested that great attention be given to this matter in banks where the proper form of collateral note is not now in use.

Particular attention is given to notes secured by real estate mortgages—these are collateral notes, why not the same attention to other notes which are secured?

PERMIT ISSUED

	Capital	Surplus	Reserve	Date
Chicago.....Cook.....Pullman Trust & Savings Bank 400 East 11th Street.	\$300,000.	\$150,000.	\$51,000.	Apr. 29, 1932

CHARTER ISSUED

Chicago.....Cook.....Pullman Trust & Savings Bank 400 East 11th Street Bartholomew O'Toole, President Albert E. Price, Cashier	\$300,000.	\$150,000.	\$51,000.	Apr. 30, 1932
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NAME CHANGED.

St. Peter.....Fayette.....Farmers & Merchants State Bank of St. Peter to First State Bank of St. Peter.....	Apr. 6, 1932
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CLOSED.

LaHogue.....Iroquois.....LaHogue State Bank.....	Apr. 19, 1932
Chicago.....Cook.....Sherman State Bank.....	Apr. 23, 1932

RECEIVERS APPOINTED.

Leaf River.....Ogle.....Leaf River State Bank—George D. Banning.....	Apr. 2, 1932
Chicago.....Cook.....Humboldt State Bank—H. E. Robertson (Carl Antonsen, Receiver—deceased.)	Apr. 11, 1932
Chicago.....Cook.....Second Humboldt State Bank—H. E. Robertson (Carl Antonsen, Receiver—deceased.)	Apr. 11, 1932
Tampico.....Whiteside.....Tampico State Bank—Albert F. Browne.....	Apr. 13, 1932
Chana.....Ogle.....Chana Banking Company—P. L. McDonald.....	Apr. 13, 1932
Basco.....Hancock.....Basco State Bank—F. J. Reu.....	Apr. 14, 1932
Sadorus.....Champaign.....Farmers First State Bank of Sadorus—R. E. Milligan	Apr. 19, 1932
Rochelle.....Ogle.....Rochelle Trust and Savings Bank—W. D. Mouglin (Guy L. Bush, Receiver—deceased.)	Apr. 26, 1932
LaHogue.....Iroquois.....LaHogue State Bank—Willard C. Meents.....	Apr. 29, 1932

TRUST CERTIFICATES CANCELLED.

Springfield.....Sangamon.....First Trust and Savings Bank of Springfield, Illinois	Apr. 14, 1932
Riverside.....Cook.....Riverside State Bank.....	Apr. 14, 1932
Freeport.....Stephenson.....Security Trust Company.....	Apr. 27, 1932

RECAPITULATION.

State Banks in Chicago	91
State Banks in Cook County outside Chicago	48
State Banks in Illinois outside Cook County	700
Total	839

MONTHLY BULLETIN

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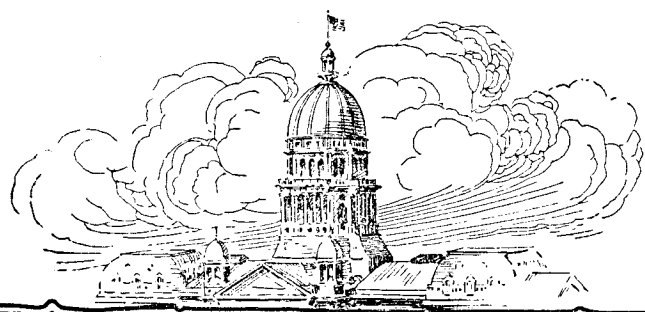
No. 3

WARNING!

Bankers should not admit any representative of this Department without proper credentials.

Each Examiner and Assistant working out of the Banking Department of the Auditor's Office has been equipped with a credential card which is very complete in itself and easy of identification as it bears the picture of the representative holding the same. Full description of these credential cards has been previously mailed to all bankers in the State of Illinois under the jurisdiction of this Department and bankers are cautioned to carefully examine any alleged credential card presented by strangers.

Each card issued is individually numbered and has other identification marks which can be easily identified by calling the Department if the banker is in doubt.



A SMALL PER CENT

In the very recent past, wide circulation has been given to statements that vast totals in deposits were involved in banks that have closed in Illinois in the past few years. Greater attention, of course, has been directed toward State than National Banks for the reason that there were about three times as many of the former as the latter.

In order that the true figures may be known we quote below from our records since January 1, 1925, as to amount of deposits involved in banks closed and placed in Receivership:

- 1925—Total average amount of deposits in State Banks \$2,225,706,000
—amount of deposits in banks placed in Receivership \$1,614,908 or approximately 7/100 of one per cent.
- 1926—Total average amount of deposits in State Banks \$2,300,318,000
—amount of deposits in banks placed in Receivership \$1,139,000—approximately 4/100 of one per cent.
- 1927—Total average amount of deposits in State Banks \$2,321,853,000
—amount of deposits in banks placed in Receivership \$4,708,540 or 2/10 of one per cent.
- 1928—Total average amount of deposits in State Banks \$2,343,371,000
—amount of deposits in banks placed in Receivership \$1,035,000 or 4/100 of one per cent.
- 1929—Total average amount of deposits in State Banks \$2,473,928,000
—amount of deposits in banks placed in Receivership \$9,542,000 or 3/10 of one per cent.
- 1930—Total average amount of deposits in State Banks \$2,570,884,000
—amount of deposits in banks placed in Receivership \$31,249,600 or 1 and 2/10 per cent.
- 1931—Total average amount of deposits in State Banks \$2,243,456,000
—amount of deposits in banks placed in Receivership \$118,702,500 or 5 and 2/10 per cent.

A REVIEW

Considerable publicity has been given to the number of banks that have been closed in Illinois during the past year or two. The total seems large, as well as the volume of deposits, owing to the fact that criticism has been concentrated and focused on this class of financial institutions almost to the exclusion of any other.

Many misstatements have been circulated both verbally and in printed form concerning bank failures. Bank failures have been generally accepted as applying to all banks that have closed their doors. This is erroneous. Only such banks as have gone into receivership should be thus considered as the other institutions which closed their doors and did not go into receivership have in many instances protected

their depositors through mergers with other banks or by arranging for payment in full of their deposits.

Still other banks which were compelled to lock their doors have by agreement with their depositors provided for payment of a certain percentage of deposits, freezing assets in a percent proportion to the amount temporarily unpaid. Hence, these banks cannot be considered as failures.

Extravagant statements have also been broadcast as to the number of closed State Banks in Illinois. Since January, 1925, there has been a total of 472 banks that have closed their doors. Of this number 361 have been placed in receivership. The remainder have protected their depositors through arrangements referred to above. The total amount involved in these closings was \$234,891,000. The total amount protected was \$45,301,000, leaving \$189,590,000 now being administered by receivers.

If figures could be obtained of the losses on stocks and bonds and other investments and compared with the actual amount lost by depositors, the latter would be a very small percentage as compared to the other. It really has not been a question of how many banks have closed but the satisfying thing has been that so many continued business under the pressing circumstances of the past eighteen months. No institutions dealing with financial matters have had such demands made upon them as have banks for they have been called upon to liquidate their securities and investments almost immediately upon demand of the depositors who wanted their money. No bank can pay off its deposits in a few hours, yet this has been the demand of depositors of many banks throughout the State.

Banks must have investments in order to earn cost of operation, reasonable profits upon their capital and to create reserves. In the majority of cases they have put the depositors' money into investments which they were convinced after a careful investigation were of a high order but during these unprecedented times securities of this class, as well as others, could not be liquidated at anywhere near par although many of the banks met their withdrawals promptly by liquidation of investments and collection of notes.

Banks that have liquidated or met their withdrawals satisfactorily have always carried a line of investments known as secondary reserve which, purchased with a view of ready marketability rather than high returns, is a policy of which the Auditor of Public Accounts has been a consistent advocate and still is.

In many closed banks the assets now in the hands of these Receivers will produce a substantial return to depositors over a period of time. Our records will show that millions of these assets could, under normal times, be liquidated with but small percentage of loss. They consist of bonds, notes and real estate, which under the present market and conditions, it is unwise to dispose of at a sacrifice or to force bankruptcies to collect. Sane liquidation will produce results in time. We must be patient and tolerant.

REOPENED

Carthage.....Hancock.....	Marine Trust Company of Carthage.....	May 2, 1932
Champaign.....Champaign.....	The Commercial Bank of Champaign.....	May 14, 1932
Mason City.....Mason.....	Central Illinois State Bank.....	May 24, 1932

CAPITAL STOCK DECREASED

Carthage.....Hancock.....	Marine Trust Company of Carthage	From \$100,000 to \$50,000	May 2, 1932
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LIQUIDATED

Chicago.....Cook.....	The Pullman Trust and Savings Bank through Pullman Trust & Savings Bank.....	May 2, 1932
-----------------------	------------------------------------------------------------------------------	-------------

DURATION EXTENDED

Waterman.....DeKalb.....	Waterman State Bank Charter extended 99 years from April 30, 1933.....	May 6, 1932
--------------------------	------------------------------------------------------------------------	-------------

CLOSED

Loraine.....Adams.....	Peoples State Bank of Loraine.....	May 10, 1932
Findlay.....Shelby.....	First State Bank of Findlay.....	May 11, 1932
Chicago.....Cook.....	Citizens State Bank of Chicago.....	May 25, 1932
Glencoe.....Cook.....	Citizens State Bank of Glencoe.....	May 31, 1932
Deerfield.....Lake.....	Citizens State Bank of Deerfield.....	May 31, 1932
Chicago.....Cook.....	Papanek-Kovac State Bank.....	May 31, 1932

RECEIVERS APPOINTED

Amboy.....Lee.....	Amboy State Bank—E. W. Varty..... (Harry G. Wright, Receiver—resigned.)	May 16, 1932
Sandwich.....DeKalb.....	Farmers Trust and Savings Bank—E. W. Varty..... (Harry G. Wright, Receiver—resigned.)	May 16, 1932
Monroe Center.Ogle.....	Monroe Center State Bank—E. W. Varty..... (Harry G. Wright, Receiver—resigned.)	May 16, 1932
Ashton.....Lee.....	The Farmers State Bank of Ashton—E. W. Varty..... (Harry G. Wright, Receiver—resigned.)	May 16, 1932
Chicago.....Cook.....	Sherman State Bank—R. F. Nestlehut.....	May 17, 1932
Taylorville.....Christian.....	John B. Colegrove and Co. State Bank—R. Digby Large (Robert G. Earley, Receiver—resigned.)	May 19, 1932
Waukegan.....Lake.....	Waukegan State Bank—L. Elmer Hulse..... (Successor to Fred Brown Whitney.)	May 25, 1932
Findlay.....Shelby.....	First State Bank of Findlay—L. C. Westervelt.....	May 28, 1932
Lansing.....Cook.....	Lansing State Bank—Carl L. Granzow..... (Robert E. Rodgers, Receiver—resigned.)	May 31, 1932

TRUST CERTIFICATE CANCELLED

Quincy.....Adams.....	Quincy-Ricker National Bank and Trust Co.....	May 26, 1932
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RECAPITULATION

State Banks in Chicago.....	88
State Banks in Cook County outside Chicago.....	47
State Banks in Illinois outside Cook County.....	760
Total	835

MONTHLY BULLETIN

Issued by
OSCAR NELSON
AUDITOR of PUBLIC ACCOUNTS
BANKING DEPARTMENT
State of Illinois

VOL. 8

SPRINGFIELD, ILL., JULY 1, 1932

No. 4

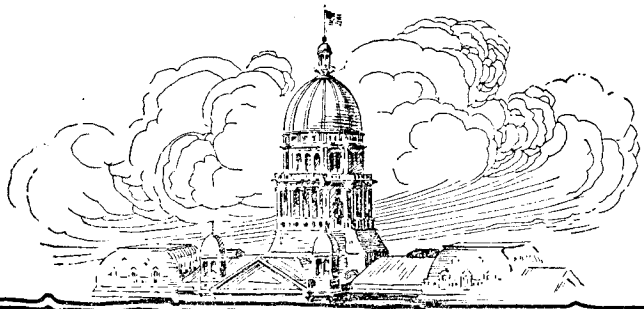
BANKS NOT AUTHORIZED TO ACT AS INSURANCE AGENTS

* * * *

Since the issuance of a ruling by the Insurance Division of the Department of Trade and Commerce relative to the licensing of banks to do an insurance business rather than individuals, many inquiries have been received by this Department relative to the legality of banks qualifying under the new Insurance Agency Act and the new Insurance Brokers' Act.

In an opinion rendered by the Attorney General he points to the fact that banks have express powers as stipulated by the Act and are limited to these powers only and that the right of a bank to act as an insurance agent is not provided for in the Law.

Therefore, he is "of the opinion that a State Banking Corporation has no charter rights to act as an agent for an insurance company."



MUNICIPAL BORROWINGS

* * * *

A very timely article has been submitted by the Rowley Service Bureau which is published by L. B. Rowley, Attorney and Counsel for the Wisconsin Bankers Association, concerning loans to municipal corporations.

We quote from this Bulletin in part as follows:

“It is surprising how many bankers make loans to municipal corporations, principally town boards and school boards because they need money, but without taking the proper precautions to see that the borrowing is done by the officers in strict compliance with the provisions of the statutes of the state regulating municipal borrowing.

“There is this that bankers in any state should bear in mind: Municipalities, such as towns, school districts, etc., are subdivisions of the state and are incorporated with certain grants of power and with certain restrictions as to borrowing. In every state the statutes provide when borrowing may be done, how it must be done, and put a limit on the amount that may be borrowed for any purpose; they almost invariably provide that borrowing for temporary purposes must be repaid out of the taxes next to be collected and the proceedings necessary to be taken by the governing officials. Every provision of the statutes relating to such borrowing must be strictly observed or the borrowing is illegal and the party holding the evidence of debt holds an illegal and unenforceable contract. The provisions of law regulating borrowing by municipalities are mandatory. Being mandatory, when a bank loans to a municipality it should require a copy of the proceedings authorizing the loan to be attached to the note or order of the municipality, showing the proper authorization from the municipal board to the officers to secure the loan, and it (the authorization) should follow the requirements of the statute regulating such loan and be entered on the minutes of the meeting in full, and a copy furnished the bank as evidence of a valid power to borrow.”

REPORTING AVAILABLE CASH RESERVE

* * * *

Attention is called to an error that is often made in compiling information concerning the available cash reserve on calls made to the Auditor of Public Accounts under Section Seven of the Banking Act.

Page 3 of Form 7 calls for recapitulation of the cash reserve by totalling items, 1, 2-C and 3. The error committed is in compiling the figures from the total of Item 1, Item 2 and Item 3. 2-A and 2-B should not be included as these refer to checks and other items and collections in transit. Hence, the available cash reserve to be shown in the report consists only of Cash on Hand, Exchanges for Clearing House and Due From Banks.

EXCESS LOANS

* * * *

During the administration of this Department from 1925 to date there has been a net reduction in the total amount of excess loans of over ten million dollars in State Banks.

This fact is more important than would first appear. Excess loans are so-called by reason of the fact that they exceed in amount 15% of the capital and surplus of the bank. Being large loans they have been the more dangerous. Realizing this the Auditor, upon first assuming charge of the office, began an intensive campaign to eliminate excess loans from the banks. This was a huge task as banks previously had been granted permission to execute and carry, with the approval of the Department, loans of this character almost without restriction.

The collection of this ten millions of dollars in excess loans has meant the saving to depositors in State Banks of an amount, perhaps, equal to half that sum as these obligations were created when inflation prevailed and under present conditions many would be largely uncollectible.

CHARTERS ISSUED

	Capital	Surplus	Reserve	Date
Byron.....Ogle.....Rock River Community Bank	\$50,000.	\$10,000.	\$2,500.	June 28, 1932

James W. Rodgers,
President
J. A. Kadel, Cashier

CAPITAL STOCK INCREASED

Elmhurst.....DuPage.....Elmhurst State Bank.....	From \$200,000. to \$250,000.	June 30, 1932
--------------------------------------------------	-------------------------------	---------------

CLOSED

Elizabeth.....JoDavies.....Elizabeth Exchange Bank.....	June 11, 1932
Chicago.....Cook.....United American Trust & Savings Bank.....	June 14, 1932
Chicago.....Cook.....Madison Square State Bank.....	June 14, 1932
Chicago.....Cook.....Division State Bank.....	June 15, 1932
Bishop Hill.....Henry.....Bank of Bishop Hill.....	June 16, 1932
Chicago.....Cook.....Logan Square State and Savings Bank.....	June 17, 1932
Chicago.....Cook.....Empire Trust & Savings Bank.....	June 17, 1932
Chicago.....Cook.....Devon Trust & Savings Bank.....	June 18, 1932
Chicago.....Cook.....Prudential State Savings Bank.....	June 18, 1932
Chicago.....Cook.....North Avenue State Bank.....	June 18, 1932
Chicago.....Cook.....Reliance Bank and Trust Company.....	June 18, 1932
Chicago.....Cook.....Phillip State Bank & Trust Company.....	June 21, 1932
Chicago.....Cook.....Chatfield Trust & Savings Bank.....	June 22, 1932
Chicago.....Cook.....First Englewood State Bank of Chicago.....	June 22, 1932
Chicago.....Cook.....Woodlawn Trust and Savings Bank.....	June 22, 1932
Chicago.....Cook.....Kenwood State Bank of Chicago.....	June 22, 1932
Chicago.....Cook.....Commonwealth Trust & Savings Bank.....	June 22, 1932
Chicago.....Cook.....South Shore State Bank.....	June 22, 1932
Chicago.....Cook.....Cottage Grove State Bank.....	June 22, 1932
Chicago.....Cook.....Universal State Bank.....	June 23, 1932
Cicero.....Cook.....Pinkert State Bank.....	June 23, 1932
Chicago.....Cook.....West Irving State Bank.....	June 23, 1932
Camp Point.....Adams.....The Camp Point Bank.....	June 23, 1932
Chicago.....Cook.....Kaspar-American State Bank.....	June 24, 1932
Chicago.....Cook.....Central Manufacturing District Bank.....	June 24, 1932
Chicago.....Cook.....Chicago Bank of Commerce.....	June 24, 1932
Chicago.....Cook.....Old Dearborn State Bank.....	June 24, 1932
Northbrook.....Cook.....Northbrook State Bank.....	June 24, 1932
Bradford.....Stark.....Bradford Exchange State Bank.....	June 25, 1932
Chicago.....Cook.....Congress Trust & Savings Bank.....	June 28, 1932
Aurora.....Kane.....Broadway Trust & Savings Bank of Aurora.....	June 30, 1932
Chicago.....Cook.....The Adams State Bank.....	June 30, 1932

RECEIVERS APPOINTED

Loraine.....Adams.....Peoples State Bank of Loraine—J. M. Forsthove.....	June 1, 1932
Princeville.....Peoria.....First State Bank of Princeville—C. H. C. Hogaboom	June 1, 1932
Barry.....Pike.....Barry State Bank—George Davis (W. W. Watson, Receiver—deceased.)	June 3, 1932
Chicago.....Cook.....Citizens State Bank of Chicago—William A. Heath..	June 6, 1932
Creal Springs.....Williamson.....Citizens State Bank of Creal Springs—F. H. Washburn	June 10, 1932
Chicago.....Cook.....United American Trust & Savings Bank—Fred P. Rondeau	June 17, 1932
Glencoe.....Cook.....Citizens State Bank of Glencoe—George F. Cardy....	June 20, 1932
Deerfield.....Lake.....Citizens State Bank of Deerfield—George F. Cardy..	June 20, 1932
Chicago.....Cook.....Home Bank and Trust Company—Casimir E. Mido-wicz (Deposit liability liquidated July 10, 1930)....	June 20, 1932
Chicago.....Cook.....Reliance Bank and Trust Company—Wm. H. Whalen	June 22, 1932
Chicago.....Cook.....Chicago Bank of Commerce—Alfred K. Foreman.....	June 28, 1932
Chicago.....Cook.....Union Bank of Chicago—James S. Rodie (Deposit liability liquidated September 26, 1931).....	June 28, 1932
Chicago.....Cook.....Old Dearborn State Bank—James S. Rodie.....	June 28, 1932
Chicago.....Cook.....North Avenue State Bank—A. A. Mueller.....	June 28, 1932
Chicago.....Cook.....Phillip State Bank & Trust Company—Chas. H. Albers	June 28, 1932
Northbrook.....Cook.....Northbrook State Bank—George F. Cardy.....	June 29, 1932
Chicago.....Cook.....Kaspar-American State Bank—Arthur H. Meyer.....	June 29, 1932
Chicago.....Cook.....Logan Square State and Savings Bank—Emil Jenisch	June 29, 1932
Chicago.....Cook.....Madison Square State Bank—Harvey R. Dow.....	June 30, 1932
Chicago.....Cook.....Division State Bank—C. W. Davenport.....	June 30, 1932

TRUST CERTIFICATES CANCELLED.

Chicago.....Cook.....Aetna State Bank.....	June 1, 1932
Chicago.....Cook.....Jackson Park National Bank of Chicago.....	June 21, 1932

RECAPITULATION

State Banks in Chicago	63
State Banks in Cook County outside Chicago	45
State Banks in Illinois outside Cook County	696
Total	804

MONTHLY BULLETIN

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BANKING DEPARTMENT
State of Illinois

VOL. 8

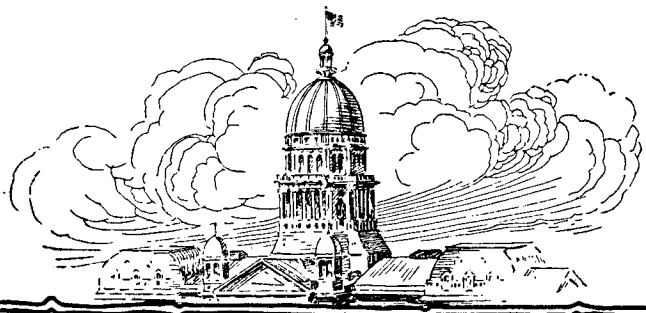
SPRINGFIELD, ILL., AUGUST 1, 1932

No. 5

SURETY BONDS

* * * *

An increase in premium rates for coverage by companies furnishing fidelity bonds has caused some banks to discontinue this service. The Department has always taken the position that the depositors were entitled to this protection. We still maintain this position. We hold no brief for insurance companies in the matter of increased premium rates. If losses have justified the increase it may be necessary and facts will substantiate or disprove the action of the corporation furnishing bonds. If substantiated, then the more need for proper fidelity coverage by banks. Perhaps expenses may be cut in other quarters so that the bank may continue to carry this protection for its depositors. In some cases banks have reduced the amount carried which is far better than discontinuing.



LIQUIDATIONS

* * * *

Reference is invariably made to the number of "bank failures" which have occurred lately. This is erroneous. They are closed banks, but not failed banks, only in the sense that they have closed and failed to function as going institutions. The extent of their "failure" must be determined by final liquidation.

The general public has no means of comparison and, therefore, no knowledge of the wonderful liquidation which all of these banks have accomplished in the last year and a half. It is safe to say without preparing exact statistics that the minimum would be in the neighborhood of seventy-five per cent. As we look at the statements of those banks which have been forced to close their doors through unprecedented withdrawals, we find that many of the larger institutions have paid off their deposits to the extent of 90%; others with less deposits have liquidated over 80%, and smaller banks with \$1,000,000 and less in deposits have paid out 75% of their peak deposit liability. True, the ideal liquidation would have been to pay every depositor in full but that was an impossible task under present circumstances.

The liquidation accomplished is little short of marvelous; especially so in Chicago where the credit structure has been so badly torn. The out-lying banks which were forced to suspend business were called upon to liquidate assets which were not particularly slow, but which formed their investment portfolio in the period they enjoyed the confidence of their depositing customers. Quick liquidation is always to the detriment of local business and community prosperity. Under ordinary circumstances the inflow and outgo of deposits would show but little fluctuation, favoring in most cases a steady increase, but in stagnant times the downward trend calls forth the best efforts of the banker to meet the demands by converting sufficient assets into cash, which creates ruin.

Customers in many thousands of cases hold investments of the same nature as the banks. The individual

cannot liquidate his investments at par and elects to hold them but demands his deposit from the bank and the banker must force liquidation by taking a loss on the securities which must be sold on a low market.

In view of the liquidations made by many closed banks we feel justified in repeating that their record in this respect is only short of marvelous.

DEPOSITORS' PROTECTION PARAMOUNT

* * * *

Bankers are prone to ask the indulgence of the Department in the matter of charge-offs. The oft repeated statement "We want to satisfy the Banking Department" is quite beside the point. The Department does not request satisfaction, but co-operation from the bankers in conserving earnings for the purpose of establishing suitable reserves for the charging out of known losses and unacceptable assets.

In many cases the bankers make the plea "Be easy on us." This may also be termed as unnecessary as it is not a case of being lenient in regard to requests for charging out unsuitable assets but always the consideration of the creditors that determines. If positive losses are known to exist they must be removed. There is no advantage to be gained by carrying such items with the hope that they "may eventually work out." Even though recovery may be made upon some charge-off it does not prevent the banker from benefitting by the collection as the proceeds can always be credited to Undivided Profits. The banks that have had the least trouble with bond accounts the past few months are those that have taken their losses as soon as determined and have conserved all items of expense in order that the Undivided Profits might be increased and healthy reserves established.

Those that learn to take a loss as quickly as a profit will find less difficulty in maintaining safely operated banks.

PERMIT ISSUED.

	Capital.	Surplus.	Reserve.	Date.
Momence.....Kankakee.....Parish Bank and Trust Company	\$50,000.	\$5,000.	\$2,500.	July 19, 1932

CAPITAL STOCK DECREASED.

Paw Paw.....Lee.....State Bank of Paw Paw, Illinois	From \$100,000. to \$50,000.	July 13, 1932
Bluffs.....Scott.....Bank of Bluffs	From \$100,000. to \$50,000.	July 13, 1932
Wheaton.....DuPage.....Wheaton Trust and Savings Bank	From \$100,000. to \$50,000.	July 23, 1932

CHANGE OF PAR VALUE OF CAPITAL STOCK.

Paw Paw.....Lee.....State Bank of Paw Paw, Illinois	From \$100. to \$50.	July 13, 1932
Wheaton.....DuPage.....Wheaton Trust and Savings Bank	From 100. to 50.	July 23, 1932

LIQUIDATED.

Byron.....Ogle.....Byron State Bank through Rock River Community Bank, Byron	July 1, 1932
Homer.....Champaign.....Raynor-Babb State Bank	July 25, 1932

CLOSED.

Bradford.....Stark.....Phenix Banking Company	July 1, 1932
Colchester.....McDonough.....Peoples State Bank	July 2, 1932
Claytonville.....Iroquois.....Claytonville State Bank	July 7, 1932
Monce.....Will.....Eastern Will County State Bank	July 7, 1932
Glen Ellyn.....DuPage.....Glen Ellyn State Bank	July 15, 1932
Madison.....Madison.....The Union Trust Co. of Madison, Illinois	July 15, 1932
Homewood.....Cook.....Homewood State Bank	July 16, 1932
Paxton.....Ford.....Paxton State Bank	July 21, 1932
Highwood.....Lake.....Highwood State Bank	July 27, 1932
Mill Shoals.....White.....Mill Shoals State Bank	July 28, 1932
Dallas City.....Hancock.....The Farmers State Bank of Dallas City	July 29, 1932
Durand.....Winnebago.....The Citizens State Bank of Durand	July 29, 1932
Arlington Heights.....Cook.....Peoples State Bank of Arlington Heights	July 30, 1932

RECEIVERS APPOINTED.

Chicago.....Cook.....Chatfield Trust & Savings Bank—H. C. Vernon	July 1, 1932
Chicago.....Cook.....Woodlawn Trust and Savings Bank—H. C. Vernon	July 1, 1932
Chicago.....Cook.....Paparel-Kovac State Bank—Fred W. Allen	July 2, 1932
Hanna City.....Peoria.....Hanna City State Bank—Rae C. Heiple	July 2, 1932
Camp Point.....Adams.....The Camp Point Bank—E. E. Benson	July 2, 1932
Winnetka.....Cook.....Hubbard Woods Trust & Savings Bank—J. M. Appel	July 5, 1932
Chicago.....Cook.....Devon Trust & Savings Bank—J. A. Schoepel	July 5, 1932
Elizabeth.....Jodavies.....Elizabeth Exchange Bank—L. C. Lundgren	July 6, 1932
Bishop Hill.....Henry.....Bank of Bishop Hill—M. A. Adams	July 6, 1932
Cicero.....Cook.....Pinkert State Bank—Henry F. Tykal	July 6, 1932
Johnston City.....Williamson.....The Citizens State Bank—Harris W. Jones (R. E. Mitchell, Receiver—resigned.)	July 8, 1932
Chicago.....Cook.....Prudential State Savings Bank—R. F. Gentzel	July 11, 1932
Chicago.....Cook.....Cottage Grove State Bank—Frank C. Mayne, Jr.	July 12, 1932
Chicago.....Cook.....Congress Trust & Savings Bank—Clement A. Nance	July 13, 1932
Altona.....Knox.....Bank of Altona—G. F. Hebard (Fred S. Wallich, Receiver, resigned.)	July 15, 1932
Chicago.....Cook.....West Irving State Bank—W. R. Davis	July 16, 1932
Chicago.....Cook.....Empire Trust & Savings Bank—M. L. Munie	July 16, 1932
Chicago.....Cook.....Universal State Bank—C. E. Herrod	July 16, 1932
Chicago.....Cook.....First Englewood State Bank of Chicago—N. W. Wiersema	July 18, 1932
Chicago.....Cook.....South Shore State Bank—W. R. Drennan	July 18, 1932
Claytonville.....Iroquois.....Claytonville State Bank—Robert R. Kohlman	July 19, 1932
Colchester.....McDonough.....Peoples State Bank—Harry L. Burford	July 19, 1932
Aurora.....Kane.....Broadway Trust & Savings Bank of Aurora—J. C. Weiland	July 19, 1932
Chicago.....Cook.....The Adams State Bank—David Dillman	July 20, 1932
Monce.....Will.....Eastern Will County State Bank—Charles H. Blim	July 20, 1932
Chicago.....Cook.....Commonwealth Trust & Savings Bank—F. A. Bach	July 21, 1932
Chicago.....Cook.....Kenwood State Bank of Chicago—John M. Thomson	July 26, 1932

TRUST CERTIFICATES CANCELLED.

Quincy.....Adams.....Broadway Bank of Quincy	July 12, 1932
Chicago.....Cook.....Schiff Trust & Savings Bank	July 22, 1932

RECAPITULATION.

State Banks in Chicago	63
State Banks in Cook County outside Chicago	43
State Banks in Illinois outside Cook County	685
Total	791

MONTHLY BULLETIN

Issued by
OSCAR NELSON
AUDITOR of PUBLIC ACCOUNTS
BANKING DEPARTMENT
State of Illinois

VOL. 8

SPRINGFIELD, ILL., SEPTEMBER 1, 1932

No. 6

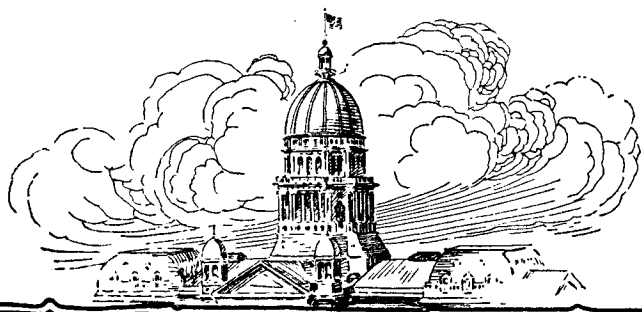
INCREASED SAVINGS

The National Association of Mutual Savings Banks has issued a statement to the effect that the number of depositors in mutual savings banks of the United States reached the highest point of record on June 30th, this year.

According to the figures given out on that date this class of banks held deposits of over \$9,900,200,000 which represented a very gratifying and remarkable increase, not only from the figures of 1931, but even above the high-mark figures of June 30, 1929, when the deposits at that time were \$8,900,800,000 with almost 12,000,000 depositors, while this year the number of depositors is nearly 13,500,000.

During the first six months of this year there were 72,468 new accounts opened, a very encouraging record. The average deposit is \$743.31.

These facts are extremely creditable and prove that the citizenry are at heart a nation of savers and, particularly, through a period when conditions were abnormal.



CONSTITUTIONAL NOT STATUTORY

For the information of those who have inquired relative to the collection of stock assessment, we call attention to the fact that the constitution of the State provides for the collection of stockholders' liability by the creditors of a bank. The Banking Law merely follows the language of the constitution in the matter.

No amendment to the Act regulating banks could in any way affect this constitutional provision. It could only be altered by an amendment to the constitution. It has been on record since 1870 and has been invoked during the past in many instances. The recent opinion of the Supreme Court interpreting, analyzing and upholding this section of the constitution has brought the matter into considerable prominence but there is nothing new in the process nor manner of collection of stockholders' liability other than that which has prevailed for the past sixty-two years.

ELECTION OF DIRECTORS

Some confusion still exists among bankers relative to the manner of election of Directors. Many inquiries are received, where vacancies occur on the Board of Directors, as to whether it would be legal for two-thirds of the remaining Directors to fill said vacancies. The Banking Act makes no provision for this action but requires that the election of Directors must be accomplished by Stockholders' votes. If a vacancy occurs between the dates of the annual Stockholders' Meeting and the Directors desire to fill the same, it will be necessary then to call a special meeting of the Stockholders of the corporation in accordance with the provision of their By-Laws.

Where the death or resignation of a Director reduces the number of the members of the Board below three it is quite apparent that it is necessary to call a Stockholders' Meeting

immediately to fill said vacancy as the Law provides that at no time shall the Board of Directors be reduced to a number below three. In the event that there is not a sufficient number of Stockholders eligible for election as Directors then arrangements must be made for the sale and transfer of additional shares of stock in order that a Stockholder or Stockholders, as the case may be, will be in a position to qualify if elected.

ANTICIPATION WARRANTS

The Law in reference to the above caption is in part as follows: "That whenever there is not sufficient money in the treasury of any county, city, town, village or other municipal corporation to meet and defray the ordinary and necessary expenses thereof, including all expenses for building purposes, it shall be lawful for the proper authorities thereof to provide a fund to meet all said expenses by issuing and disposing of warrants drawn against and in anticipation of any taxes already levied by said authorities for the payment of all such ordinary and necessary expenses of such county, city, town, village or other municipal corporation, to the extent of seventy-five per centum of the total amount of any such tax levied, * * * *."

We call attention to this portion of the statute on Anticipation Warrants for two reasons—first, that bankers may be cautioned against advancing funds on warrants which may have been carelessly drawn before the tax was levied, which evidently has been done in some instances; second, that bankers may be warned about accepting and paying cash on warrants which have been issued in a sum exceeding the seventy-five per centum of the total amount of tax levied which has also been inadvertently done.

In this connection it might be well to also suggest that no payments be made on Anticipation Warrants until the banker has satisfied himself that all warrants issued in anticipation of taxes for the previous year have been fully redeemed.

CHARTER ISSUED

	Capital	Surplus	Reserve	Date
Glasford.....Peoria.....Glasford State Bank....	\$50,000.	\$5,000.	\$2,500.	Aug. 31, 1932
	J. I. Maple, President R. A. Addy, Cashier			

CAPITAL STOCK DECREASED

Bensenville....DuPage.....First State Bank of Bensenville	From \$70,000. to \$50,000.	Aug. 22, 1932
-----------------------------------------------------------------	-----------------------------	---------------

LIQUIDATED

Hinsdale.....DuPage.....Hinsdale State Bank through First National Bank of Hinsdale	Aug. 6, 1932
Chicago.....Cook.....Burnside Trust and Savings Bank through Pullman Trust & Savings Bank.....	Aug. 11, 1932
Omaha.....Gallatin.....State Bank of Omaha through Gallatin County Bank, Ridgway	Aug. 11, 1932

CLOSED

Sibley.....Ford.....Sibley State Bank.....	Aug. 9, 1932
Elliott.....Ford.....State Bank of Elliott.....	Aug. 9, 1932
New Windsor..Mercer.....Farmers State Bank of Windsor.....	Aug. 18, 1932
Preemption...Mercer.....Preemption State Bank.....	Aug. 20, 1932

RECEIVERS APPOINTED

Highwood.....Lake.....Highwood State Bank—H. A. Smith.....	Aug. 1, 1932
Homewood....Cook.....Homewood State Bank—Martin J. Mancy	Aug. 2, 1932
Chicago.....Cook.....Central Manufacturing District Bank—W. F. Leimert	Aug. 4, 1932
Bradford.....Stark.....Phenix Banking Company—E. L. Clark.....	Aug. 5, 1932
Bradford.....Stark.....Bradford Exchange State Bank—E. L. Clark.....	Aug. 5, 1932
Troy Grove....LaSalle.....Troy Grove State Bank—Vincent J. Ream (O. M. Andrews, Receiver—resigned)	Aug. 6, 1932
Paxton.....Ford.....Paxton State Bank—Sherman Frederick.....	Aug. 11, 1932
Madison.....Madison.....The Union Trust Co. of Madison, Illinois—Arthur L. Laur	Aug. 11, 1932
Mill Shoals...White.....Mill Shoals State Bank—R. W. Johnson.....	Aug. 11, 1932
Arlington Heights.....Cook.....Peoples State Bank of Arlington Heights—E. F. Laurin	Aug. 15, 1932
Glen Ellyn....DuPage.....Glen Ellyn State Bank—Frank J. Bogan.....	Aug. 16, 1932
Durand.....Winnebago...The Citizens State Bank of Durand—George D. Banning	Aug. 18, 1932
Dallas City...Hancock...The Farmers State Bank of Dallas City—Roy K. Adair	Aug. 18, 1932
Bulpitt.....Christian...Farmers State Bank of Bulpitt—Leefern N. Sullivan (Robert G. Earley, Receiver—resigned).....	Aug. 20, 1932
Mason City...Mason.....New Farmers State Bank—R. E. Sudbrink.....	Aug. 20, 1932

TRUST CERTIFICATE ISSUED

	Deposit	
Chicago.....Cook.....Pullman Trust & Savings Bank.....	\$200,000.	Aug. 31, 1932

TRUST CERTIFICATES CANCELLED

Joliet.....Will.....Commercial Trust & Savings Bank of Joliet.....	Aug. 9, 1932
Champaign...Champaign...The Citizens State Bank of Champaign.....	Aug. 27, 1932

RECAPITULATION

State Banks in Chicago.....	62
State Banks in Cook County outside Chicago.....	43
State Banks in Illinois outside Cook County	680
Total	785

MONTHLY BULLETIN

Issued by
OSCAR NELSON
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State of Illinois

VOL. 8

SPRINGFIELD, ILL., OCTOBER 1, 1932

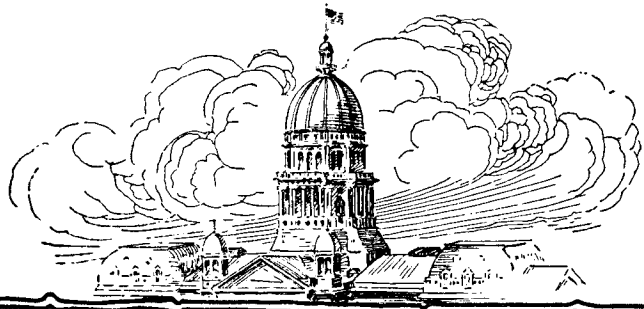
No. 7

PLEASE NOTE

Attention of the management of all State Banks is directed to the Call Report Forms which will be used in the future. The letter of instructions, as well as the other blanks accompanying the same, contain the following new clause:

“Every blank space and schedule must be filled in. Where there are no figures to report, the word ‘None’ must be written or stamped. Printed items on this blank must not be scratched or amended in any manner. Any amounts which can not be properly included in the printed items must be entered under ‘Other Assets’ or ‘Other Liabilities’.”

Please do not fail to observe these new instructions.



AMENDMENT TO THE BANKING ACT

* * * *

Senate Bill No. 28 passed by the General Assembly at the recent Special Session provides for the borrowing of funds by Receivers of closed banks. The amended portion applies to Section Eleven of the present Act and is as follows:

“Such receiver may petition the circuit court of the county in which such bank is located or any judge thereof in vacation for authority to borrow money and pledge the assets of such bank as security therefor. Upon the filing of such petition, such court or judge shall set a date for the hearing of such petition and shall prescribe the form and manner of the notice to be given the officers, stockholders, creditors or other persons interested in such bank. Upon such hearing any officer, stockholder, creditor or person interested shall have the right to be heard. If the court by order grants such authority then such receiver may borrow money and issue evidences of indebtedness therefor and may secure the payment of such loan by the mortgage, pledge, transfer in trust or hypothecation of any or all of the property and assets of such bank whether real, personal or mixed, superior to any charge thereon for the expenses of liquidation. Such loan may be obtained in such amount upon such terms and conditions and with such provisions for repayment as may be deemed necessary or expedient and may be obtained for the purposes of facilitating liquidation, protecting or preserving the assets, expediting the making of distributions to depositors and other creditors, providing for the expenses of administration and liquidation, aiding in the reopening or reorganization of such bank or its merger or consolidation with another bank, or in the sale of its assets. Such receiver shall be under no personal obligation to repay any such loan and shall have authority to take any and all action necessary or proper to consummate such loan and to provide for the repayment there-

of, and may, when required, give bond for the faithful performance of all undertakings in connection therewith. Prior to petitioning the court for authority to make any such loan, such receiver may make application for or negotiate any such loan subject to obtaining an order of the court approving the same.”

This law cannot become effective until it has been submitted to the voters for their ratification at the next general election which will be held November 8th. If a majority of the voters upon such question shall be in favor of the adoption of the amendment, then the Governor shall issue a proclamation declaring the amendment in force.

CREDIT INFORMATION

* * * *

It is just as important now to have credit information at hand as at any time in the history of banking and perhaps more so. Therefore, it is suggested that all State Bankers revise their files of financial statements. Many have become of no value and bankers have inferred that it was useless to call for new statements as no customer could show any net worth. This may be true in many instances but even be it true, new statements should be obtained so that proper appraisals may be made by our Examiners and, further, for the purpose of comparison.

If a statement of a customer made in 1930 and one made in 1932 are on file our representatives can obtain some idea of the financial condition of the borrower and can more correctly and accurately appraise the loans than where they have nothing to resort to but statements which are two or three years old and such information as the banker is able to furnish concerning present worth.

REOPENED

Astoria.....Fulton.....Astoria State Bank..... Sept. 1, 1932

LIQUIDATED

Glasford.....Peoria.....Farmers State Bank of Glasford through Glasford
State Bank..... Sept. 6, 1932
Troy.....Madison.....Troy Exchange Bank..... Sept. 7, 1932

CLOSED

Tallula.....Menard.....Tallula State Bank..... Sept. 15, 1932
Fulton.....Whiteside.....Fulton State Bank..... Sept. 23, 1932
West Union.....Clark.....First State Bank of West Union..... Sept. 30, 1932

RECEIVERS APPOINTED

New Windsor.....Mercer.....Farmers State Bank of Windsor—E. R. Petrie..... Sept. 8, 1932
Preemption.....Mercer.....Preemption State Bank—A. D. Simpson..... Sept. 8, 1932
Durand.....Winnebago.....Durand State Bank—W. E. Reckhow (Deposit li-
ability liquidated January 17, 1931)..... Sept. 14, 1932
Chicago.....Cook.....Crawford State Savings Bank—Henry R. Otto
(William J. Rathje, Receiver—deceased)..... Sept. 26, 1932
Chicago.....Cook.....Exchange State Bank of Chicago—Henry R. Otto
(William J. Rathje, Receiver—deceased)..... Sept. 26, 1932

TRUST CERTIFICATES CANCELLED

Morris.....Grundy.....The Grundy County National Bank..... Sept. 8, 1932
Chicago.....Cook.....The Terminal National Bank of Chicago..... Sept. 14, 1932
Peru.....LaSalle.....Peru State Bank..... Sept. 20, 1932

RECAPITULATION

State Banks in Chicago	62
State Banks in Cook County outside Chicago.....	43
State Banks in Illinois outside Cook County.....	677
Total	782

MONTHLY BULLETIN

Issued by
OSCAR NELSON
AUDITOR of PUBLIC ACCOUNTS
BANKING DEPARTMENT
State of Illinois

Vol. 8

SPRINGFIELD, ILL., NOVEMBER 1, 1932

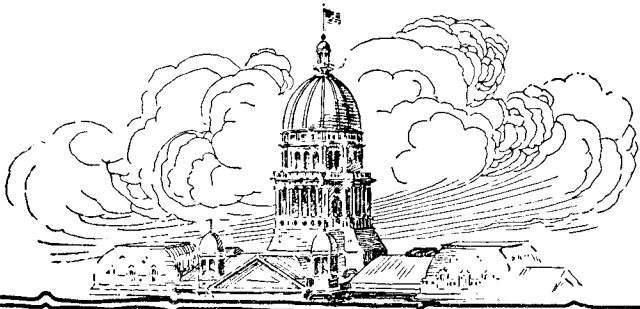
No. 8

CALL REPORT FIGURES

* * *

A compilation of the figures as obtained from the Call Reports of the 782 banks under the jurisdiction of this Department at the close of business September 30, 1932, indicates a more satisfactory position than has been reflected for some time past. The cash has increased since the reports were received for the June Call in the sum of \$20,550,000. In addition, the investment in U. S. Government Bonds shows an increase of \$20,197,000 and Loans and Discounts have declined since the last Call in the sum of \$105,980,689.

Meanwhile, on the liability side we find that deposits have increased in the sum of \$22,000,000. The Surplus and Reserve Accounts also show substantial increases.



YOUR ACCOUNTING SYSTEM

* * *

Without question, the accounting system employed by a bank is indicative of its management. Carelessness in the manner of entering items of record, insufficient detail in connection with the same and failure to prove accounts go hand in hand with incompetent management.

We do not believe that a bank is properly conducted unless its books of record show completeness of all transactions. This includes subsidiary accounts, particularly, your record of securities left by customers for safe-keeping. The importance of handling this account accurately and in detail cannot be too strongly emphasized. Our Examiners experience more difficulty in checking and balancing the total securities held by banks for the accommodation of its customers than any other one account.

Some banks do not strike a daily balance. This is gross carelessness and unpardonable. The Law provides that the Auditor may call for a report of State Banks at the close of business of any day that he may choose and it behooves the banker to follow the intent of the Law by balancing all accounts at the close of business each working day. Examiners have been instructed to charge for extra time for examinations which are delayed due to failure of management to have all accounts properly posted up-to-date. Bankers must not forget that all transactions handled are more or less of a public nature and more care should be exercised in entering the same on the books than if it was the transaction of an individual.

We recommend no particular system but insist that each bank post its accounts so that each item can be readily traced from time of inception until date of final disposition.

REAL ESTATE MORTGAGES

* * *

The general practice in concluding negotiations for a loan secured by real estate is to have the abstract brought down to

date. This, with other supporting papers, is then examined by the banker or attorney and if found that the same produces a merchantable title the deal is concluded.

Attention has been called to the fact that difficulties may arise from such procedure. In some cases there is a lapse of a few days from the time the abstract is brought down to date until the negotiations are concluded. In the interim, it is an easy matter for a judgment to be filed against the property. This may have been done previously in some other county and transferred to the county in which the property is located. Again the mortgagor may have given a mortgage to another party with the agreement that it should not be recorded only under certain conditions and this party may desire to have the same placed on record.

Undoubtedly, the only safe plan for the handling of negotiations in connection with a mortgage loan is to obtain definite information before the closing of the deal by an examination of the records from the date of abstract to date of closing. This may be done by mail or telephone, but if not too far from the county seat can be done by making a special trip to examine the records just before the check is delivered for the mortgage.

"CASH ADVANCES"

* * *

This account is quite frequently found in the examination of trust departments. A cash advance, of course, is nothing more or less than an overdraft. This practice simply means that the surplus cash on hand to the credit of one or more trusts is applied for the benefit of other trusts where cash is not available. There is no excuse for the existence of "cash advances" and positively no legal justification for the same. Officers of trust departments are, therefore, advised that such accounts must be eliminated and in the future the practice of borrowing funds from one trust account for the benefit of another must be discontinued. Every trust estate must be administered independently and in accordance with the indenture creating the trust.

CAPITAL STOCK DECREASED

East St. Louis..St. Clair.....Union Trust Company of
East St. Louis..... From \$600,000. to \$300,000. Oct. 25, 1932

CHANGE OF PAR VALUE OF CAPITAL STOCK

East St. Louis..St. Clair.....Union Trust Company of
East St. Louis..... From \$100. to \$50. Oct. 25, 1932

LIQUIDATED

Elkhart.....Logan.....Elkhart State Bank through Williamsville State Bank Oct. 11, 1932

CONVERTED

Chicago.....Cook.....Continental Illinois Bank and Trust Company to
Continental Illinois National Bank and Trust Com-
pany of Chicago Oct. 15, 1932

CLOSED

Astoria.....Fulton.....Astoria State Bank..... Oct. 4, 1932
Olive Branch.....Alexander.....Olive Branch State Bank..... Oct. 8, 1932
Edgewood.....Effingham.....State Bank of Edgewood..... Oct. 12, 1932
Villa Park.....DuPage.....State Bank of Villa Park..... Oct. 15, 1932
Orangeville.....Stephenson.....State Bank of Orangeville..... Oct. 18, 1932
Stockton.....JoDaviss.....Peoples State Bank of Stockton..... Oct. 21, 1932
Rose Hill.....Jasper.....State Bank of Rose Hill..... Oct. 21, 1932
Lexington.....McLean.....State Bank of Lexington..... Oct. 29, 1932
Forreston.....Ogle.....Commercial State Bank of Forreston..... Oct. 29, 1932
Odell.....Livingston.....State Bank of Odell..... Oct. 29, 1932

RECEIVERS APPOINTED

Tallula.....Menard.....Tallula State Bank—Harry Aden..... Oct. 1, 1932
West Union.....Clark.....First State Bank of West Union—John T. Smith.... Oct. 10, 1932
Chicago.....Cook.....Boulevard State Savings Bank—George W. Blomgren
(Emil J. Wentzlauff, Receiver—resigned)..... Oct. 26, 1932
Cloverdale.....DuPage.....Cloverdale State Bank—James H. Richmond..... Oct. 31, 1932
Villa Park.....DuPage.....State Bank of Villa Park—James H. Richmond..... Oct. 31, 1932

OTHER CHANGES

Chicago.....Cook.....Deposit liability of Central Republic Bank and Trust
Company assumed by City National Bank and
Trust Company of Chicago..... Oct. 5, 1932

TRUST CERTIFICATES ISSUED

Chicago.....Cook.....Continental Illinois National Bank and Trust Company of Chicago.....	Deposit \$500,000.	Oct. 15, 1932
Chicago.....Cook.....City National Bank and Trust Company of Chicago	200,000.	Oct. 29, 1932

TRUST CERTIFICATES CANCELLED

Chicago.....Cook.....Independence State Bank..... Oct. 6, 1932
Chicago.....Cook.....Continental Illinois Bank and Trust Company..... Oct. 15, 1932

RECAPITULATION

State Banks in Chicago	61
State Banks in Cook County outside Chicago	43
State Banks in Illinois outside Cook County.....	666
Total	770

MONTHLY BULLETIN

Issued by
OSCAR NELSON
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BANKING DEPARTMENT
State of Illinois

Vol. 8

SPRINGFIELD, ILL., DECEMBER 1, 1932

No. 9

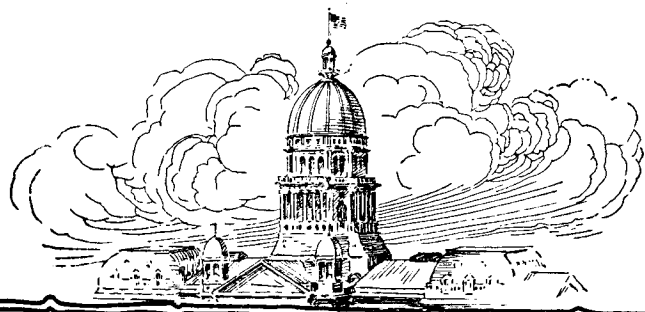
ANNOUNCEMENT

All banks in the present Northern Illinois territory in the Counties of—

Boone	Kane	Ogle
Bureau	Kankakee	Putnam
Carroll	Kendall	Rock Island
DeKalb	Lake	Stephenson
DuPage	LaSalle	Whiteside
Grundy	Lee	Will
Henry	McHenry	Winnebago
JoDaviess	Mercer	

will correspond with and make returns to the Springfield Office from December 1, 1932, instead of to the Geneva Office which has been discontinued.

OSCAR NELSON,
Auditor of Public Accounts



THE DEPOSITORY LAW

The Legislature in special session during the early part of the year passed several Acts relative to designating depositories. The Act pertaining to County Collectors follows:

“In each county of the State having a population of less than 150,000 it shall be the duty of the county board, when requested by the county collector, to designate a bank or banks or other depository in which funds and moneys received by him in the collection of taxes may be deposited, and the county collector shall be discharged from responsibility for all such funds and moneys which he deposits in a depository so designated.

“No bank shall be qualified to receive such funds or moneys until it has furnished the county board with copies of the last two sworn statements of resources and liabilities which such bank is required to furnish to the Auditor of Public Accounts or to the Comptroller of Currency. Each bank designated as a depository for such funds or moneys shall furnish the county board with a copy of all bank statements which it is required to furnish to the Auditor of Public Accounts or to the Comptroller of Currency while acting as such depository; provided, that if such funds or moneys are deposited in a bank, the amount of such deposits shall not exceed seventy-five per cent of the capital stock and surplus of such bank, and the county collector shall not be discharged from responsibility for any such funds or moneys deposited in any bank in excess of such limitation.”

Companion bills for collectors and treasurers of other political subdivisions are a counterpart of the above. Inquiries have been made of the Department and the Attorney General as to which statements complied with the law. The Attorney General, in an informal opinion, has held that “sworn statements” required under the above law are the call statements provided for under Section Seven of the State Banking Act and Section 5211 of the National Banking Act and any other sworn statements required by the Auditor of Public Accounts or the Comptroller of Currency.

AMENDMENT CARRIED

The amendment to the Banking Act granting Receivers of closed banks the privilege of borrowing from the Reconstruction Finance Corporation was carried at the general election.

The amendment provides that a Receiver may now petition the circuit court in which district the bank is located for authority to borrow money and pledge assets therefor. The purpose of this action is to expedite the payment or distribution of funds to depositors and creditors of closed State Banks or in some instances to aid in a plan for reorganization.

IMPORTANT

We again call attention of the State Bankers to our forms for the reporting of condition of their banks as required by Section Seven of the Banking Act. These blanks have been revised and each of the three forms now bears this request. “Every blank space and schedule must be filled in. Where there are no figures to report the word ‘None’ must be written or stamped. Printed items on this blank must not be scratched or amended in any manner. Any amount which cannot be properly included in the printed items must be entered under ‘Other Assets’ or ‘Other Liabilities’ ”.

Please observe the above when responding to call for statement as many failed to note the change at the time of the last call which necessitated the forwarding of additional forms for correction. It is also important that the published statement be identical with the report filed with the Auditor.

Errors in reports are confined largely to the following:

Omission of name of bank.

Report not signed.

Acknowledgment by Notary incorrect or incomplete.

Report not attested by two Directors other than Officer signing.

Deficit in Undivided Profits not indicated on liability side of statement.

Note carefully the above and see that your next Call Report forms are executed properly. It will save time and postage.

CHARTER ISSUED

	Capital	Surplus	Reserve	Date
Momence.....Kankakee.....Parish Bank and Trust Company W. W. Parish, President Anthony Parish, Cashier	\$50,000	\$5,000	\$2,500	Nov. 3, 1932

CHANGE OF PAR VALUE OF CAPITAL STOCK

Chicago.....Cook.....Lake Shore Trust and Savings Bank	From \$100 to \$50	Nov. 28, 1932
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CAPITAL STOCK DECREASED.

Fulton.....Whiteside.....Fulton State Bank	From \$75,000 to \$50,000	Nov. 12, 1932
Chicago.....Cook.....Lake Shore Trust and Savings Bank	From \$600,000 to \$200,000	Nov. 28, 1932

CAPITAL STOCK INCREASED

Chicago.....Cook.....Lake Shore Trust and Savings Bank	From \$200,000 to \$400,000	Nov. 28, 1932
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REOPENED

Fulton.....Whiteside.....Fulton State Bank	Nov. 15, 1932
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NAME CHANGED

Chicago.....Cook.....Central Republic Bank and Trust Company to Central Republic Trust Company	Nov. 26, 1932
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LIQUIDATED

Momence.....Kankakee.....Parish State Bank through Parish Bank and Trust Company	Nov. 17, 1932
Goreville.....Johnson.....Citizens State Bank of Goreville through The First National Bank, Vienna	Nov. 26, 1932
Edgewood.....Effingham.....State Bank of Edgewood through First National Bank of Effingham	Nov. 28, 1932

CLOSED

Chicago.....Cook.....Parkway State Bank	Nov. 3, 1932
Irvington.....Washington.....Farmers State Bank of Irvington	Nov. 9, 1932
Rankin.....Vermilion.....Rankin-Whitham State Bank	Nov. 10, 1932
Chicago.....Cook.....Unity Trust & Savings Bank	Nov. 16, 1932
Oglesby.....LaSalle.....Oglesby State Bank	Nov. 17, 1932
Alexander.....Morgan.....Alexander State Bank	Nov. 21, 1932
Wheeler.....Jasper.....State Bank of Commerce of Wheeler	Nov. 26, 1932
Chapin.....Morgan.....Chapin State Bank	Nov. 26, 1932
Murdock.....Douglas.....Murdock State Bank	Nov. 29, 1932
Stronghurst.....Henderson.....State Bank of Stronghurst	Nov. 30, 1932

RECEIVERS APPOINTED

Olive Branch.....Alexander.....Olive Branch State Bank—Carl Theis	Nov. 7, 1932
Lexington.....McLean.....State Bank of Lexington—C. E. Irvin	Nov. 14, 1932
Elliott.....Ford.....State Bank of Elliott—H. H. Lane	Nov. 14, 1932
Sibley.....Ford.....Sibley State Bank—H. H. Lane	Nov. 14, 1932
Rose Hill.....Jasper.....State Bank of Rose Hill—Walter W. Payne	Nov. 14, 1932
Chicago.....Cook.....Parkway State Bank—A. A. Mueller	Nov. 14, 1932
Astoria.....Fulton.....Astoria State Bank—Ernest L. White	Nov. 15, 1932
Stockton.....JoDavies.....Peoples State Bank of Stockton—James C. Fessler	Nov. 21, 1932
Orangeville.....Stephenson.....State Bank of Orangeville—Wilbur P. Cooper	Nov. 21, 1932
Forreston.....Ogle.....Commercial State Bank of Forreston—H. H. Baldwin	Nov. 21, 1932
Odell.....Livingston.....State Bank of Odell—E. M. Hoffman	Nov. 21, 1932
Irvington.....Washington.....Farmers State Bank of Irvington—Earl D. Amsler	Nov. 21, 1932
Rankin.....Vermilion.....Rankin-Whitham State Bank—Ed S. Baker	Nov. 28, 1932
Chicago.....Cook.....Commerce Trust & Savings Bank—Edward Chattell (George H. Wilson, Receiver, deceased)	Nov. 28, 1932

TRUST CERTIFICATE CANCELLED

Moline.....Rock Island.....Fifth Avenue Trust and Savings Bank	Nov. 22, 1932
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RECAPITULATION

State Banks in Chicago	59
State Banks in Cook County outside Chicago	43
State Banks in Illinois outside Cook County	650
Total	761