Finding Aid for the New York State Banking Department Inactive Institution Files series.

Finding Aid Publication Date: Oct 22nd, 2019

Online Finding Aid Record:
http://iarchives.nysed.gov/xtf/view?docId=ead/findingaids/14272.xml

Overview of Records

Repository:  
New York State Archives

Summary:  
This series contains documents relating to the incorporation and dissolution or liquidation of defunct state-chartered banking institutions. Records document the following categories of banking institutions chartered and supervised by the Banking Department: banks, savings banks, trust companies, safe deposit companies, savings and loan associations, personal loan companies (licensed lenders), and private bankers.

Creator:  
New York (State). Banking Department

Title:  
Inactive institution files

Inclusive Dates:  
1838-1967

Quantity:  
125 cubic feet

Series Number:  
14272

**Administrative History:**
Laws of 1838, Chapter 260, known as the "Free Banking Law," provided that the Secretary of State should issue a charter to a bank which filed articles of association in his office and deposited with the Comptroller securities for the redemption of its circulating notes in case it failed. Subsequently the Secretary of State's duties in respect to banks were assumed by the Superintendent of Banks, an office established by Laws of 1851, Chapter 164. There were already some banks operating under charters granted by acts of the Legislature, most of them under the "Safety Fund" Banking Act of 1829. When these charters expired the banks often applied to the Secretary of State or the Superintendent of Banks for authorization to convert into "free banks" under the act of 1838.

In 1865 an act of Congress established a national banking system and imposed a tax on the notes of state banks. This caused most of the banks in New York to convert to national banks, which they were permitted to do by Laws of 1865, Chapter 97. After the Civil War state banks began to multiply again. Over the years the Banking Department obtained authority to charter other types of banking institutions: savings banks (Laws of 1875, Chap. 371), safe deposit companies (Laws of 1875, Chap. 613), trust companies (Laws of 1887, Chap. 546), cooperative savings and loan associations (including building and lot associations) (Laws of 1892, Chap. 689), personal loan associations (licensed lenders, really incorporated pawn shops) (Laws of 1895, Chap. 326), and mortgage loan and investment companies (Laws of 1896, Chap. 452). Starting in 1914 the department issued certificates authorizing private bankers to continue business (Laws of 1914, Chap. 369).

The authority to liquidate failed banking institutions was originally within the jurisdiction of the Court of Chancery. When that court was abolished in 1847, the equitable jurisdiction of the Court of Chancery to supervise and liquidate banks passed to the Supreme Court, which appointed a receiver to settle the affairs of a failed institution. After 1908 the Superintendent of Banks took possession of failing state chartered banking institutions and appointed special deputy superintendents to carry out the liquidation proceedings. Starting about 1930 a special Liquidation Bureau performed this function, and maintained separate liquidation files (see series 13858). Copies of Supreme Court orders pertaining to bank liquidations are filed in the county clerk’s office in the county where the liquidated institution had its principal office.

**Scope and Contact Note:**
This series contains documents relating to the incorporation and dissolution or liquidation of defunct state-chartered banking institutions. The following is a description of typical files for each of the categories of banking institutions chartered and supervised by the Banking Department: BANKS: For banks chartered under the "Free Banking" Act, prior to 1851, this

series contains the articles of association originally filed with the Secretary of State and the
bank's assignment of securities to the Comptroller. There may be other documents concerning
those assignments, such as schedules of mortgages, appraisals of mortgaged lands, searches for
tax and judgment liens, and correspondence. Files for banks chartered by the Superintendent of
Banks starting in 1851, likewise contain articles of association, stating the names and addresses
of shareholders and the amounts of stocks subscribed; and a filed copy of the certificate of
organization ("charter") which permitted the bank to commence business. The files contain
petitions to the Superintendent for permission to amend a charter by increasing capital stock,
changing the number of directors, opening a branch, or changing the bank's name or its
principal place of business; the superintendent's orders; and certificates. Later files may also
contain letters concerning the character and financial standing of the incorporators; oaths and
bonds of directors; an affidavit of the payment of capital stock; Banking Department
correspondence concerning the proposed incorporation and sub-amending or extending the
certificate of incorporation; and the Superintendent's designation of depositories for reserve
funds. There are also applications for power to act in a fiduciary capacity (i.e., as trustee,
executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver,
or committee for the estates of incompetents). Some of the files document the conversion of
state banks to national banks after passage of the National Banking Act of 1865. Documents
found are the state bank board of directors' certificate of intention to convert, accompanied by
evidence of the ownership of assets; affidavits of publication of notices of the conversion,
redemption of circulating bank notes, and commencement of business as a "national banking
association"; related correspondence; and an affidavit of a bank officer replying to the
Superintendent's circular letter of 1872 inquiring as to the status of the conversion from state
to national bank. For the years prior to establishment of the Banking Department's Liquidation
Bureau (1930), the files in this series also contain documents concerning the liquidation of
failed banks. These papers include reports of bank examiners, Supreme Court orders and
judgments, reports and accounts of court appointed receivers (before 1907), appointments of
special deputy superintendents (after 1907), lists of stockholders at the time of failure, and
correspondence. For a detailed list of documents pertaining to liquidations, see series 13858.
For banks which closed voluntarily when their charters expired, the files contain
documents regarding the dissolution. These include petitions to the Supreme Court for
dissolution and for closing the bank, distributing assets, paying dividends, and the final
accounting; copies of the court orders granted for these petitions; minutes of directors' and
stockholders' meetings authorizing the dissolution; and correspondence. SAVINGS BANKS;
TRUST COMPANIES: The contents of these files are similar to those for regular banks. SAFE
DEPOSIT COMPANIES: These files sometimes contain schedules of unclaimed contents of safe
deposit boxes. Otherwise the files are similar in content to those for other categories of
institutions. SAVINGS AND LOAN ASSOCIATIONS: Besides the typical documents found in all

files, these files include copies of the by-laws of the savings and loan association, with any
amendments.

PERSONAL LOAN COMPANIES (LICENSED LENDERS): Besides the usual documents
pertaining to corporate formation and dissolution, these files contain yearly bonds to the
Superintendent for "faithful observance of the law," letters concerning the financial stability of
the surety giving bond, and copies of certificates of incorporation filed with the Secretary of
State.

PRIVATE BANKERS: These files contain applications for certificates to continue business as
a private banker (unincorporated), copies of the certificates, authorizations to increase or
decrease capital, and revocations of authorization certificates.

Use of Records:

Access Restrictions:
Partly restricted by Freedom of Information Law (FOIL) section 87.2(d) and 89.5(a)(1) making
"trade secret" information exempt from disclosure; and by Banking Law former section 13.4,
making "reports and communications" by staff of the Banking Department to the Banking Board
"confidential."

Related Information:

Related Materials:
Series 17427, Inactive Institution Files, contains similar records that post-date (continue) this
series

Series 13858, Bank Liquidation Case Files, contains related records

Other Finding Aids:
A folder list is available at the repository.

Access Terms:

Subjects:
- Banks and banking--New York (State)

Corporate Names:
- New York (State). Banking Department
- New York State Archives

Geographic Names:

- New York (State)