

CHAP. 229.

for the remainder of the year, shall be filled up by the company from which such director had been delegated.

Application of funds

SEC. 15. *And be it enacted,* That the President and Directors shall, from time to time, apply all sums received by them for premiums, and dividends and interests, or their investments, to the payment of charges and losses in the first instance; and to make up the amount of their original capital when it shall sustain a diminution from any cause whatever, and shall make such dividends of their clear net profits from time to time as they shall judge expedient; *Provided,* that before making any such dividend as aforesaid, the said President and Directors shall first retain one fifth of the said net profits, to be held and invested as a contingent fund to pay losses; *And provided,* that the said contingent fund shall at no time exceed the sum of two hundred thousand dollars.

Dividends

Contingent fund

Loans—investments

SEC. 16. *And be it enacted,* That it shall be lawful for said corporation to make loans upon bond and mortgage and other securities, on real estate, and to convert any portion of their capital stock into real estate from time to time, not exceeding three fourths of their capital; and shall have power and authority to provide for the investment of the funds of said corporation, in the public debt of the United States, or of this State, or of the city of Baltimore, or in the stock or funds of any corporation of this State; *Provided,* that nothing contained in this act shall be construed to authorise said company to issue, or put into circulation, any negotiable note, or notes payable to bearer, or notes in the nature of bank notes, nor to authorise any contract which by existing laws amounts to usury, nor to guarantee in any manner whatever, the payment of any chose-in-action; and that the real estate which the corporation shall be entitled to hold, except on mortgage, shall be only such as shall be actually necessary for the convenient transaction of its business.

Banking forbid

Contracts valid

SEC. 17. *And be it enacted,* That all contracts, policies, and other instruments not under seal made by said corporation, shall be good and valid in law and equity,