

## AMENDMENTS

1927—Act Feb. 25, 1927, substituted “deposited in the bank of the drawer thereof” after “regularly” in last sentence.

**Statutory Notes and Related Subsidiaries**

## CHANGE OF NAME

Section 203(a) of act Aug. 23, 1935, changed name of Federal Reserve Board to Board of Governors of the Federal Reserve System.

## EXCEPTION AS TO TRANSFER OF FUNCTIONS

Functions vested by any provision of law in Comptroller of the Currency, referred to in this section, not included in transfer of functions to Secretary of the Treasury, see note set out under section 1 of this title.

**§ 501a. Forfeiture of franchise of national banks for failure to comply with provisions of this chapter**

Should any national banking association in the United States now organized fail within one year after December 23, 1913, to become a member bank or fail to comply with any of the provisions of this chapter applicable thereto, all of the rights, privileges, and franchises of such association granted to it under the national-bank Act [12 U.S.C. 21 et seq.], or under the provisions of this chapter, shall be thereby forfeited. Any noncompliance with or violation of this chapter shall, however, be determined and adjudged by any court of the United States of competent jurisdiction in a suit brought for that purpose in the district or territory in which such bank is located, under direction of the Board of Governors of the Federal Reserve System, by the Comptroller of the Currency in his own name before the association shall be declared dissolved. In cases of such noncompliance or violation, other than the failure to become a member bank under the provisions of this chapter, every director who participated in or assented to the same shall be held liable in his personal or individual capacity for all damages which said bank, its shareholders, or any other person shall have sustained in consequence of such violation.

Such dissolution shall not take away or impair any remedy against such corporation, its stockholders, or officers, for any liability or penalty which shall have been previously incurred.

(Dec. 23, 1913, ch. 6, §2 (pars.), 38 Stat. 252; Aug. 23, 1935, ch. 614, title II, §203(a), 49 Stat. 704.)

**Editorial Notes**

## REFERENCES IN TEXT

This chapter, referred to in text, was in the original “this Act”, meaning act Dec. 23, 1913, ch. 6, 38 Stat. 251, known as the Federal Reserve Act. For complete classification of this Act to the Code, see References in Text note set out under section 226 of this title and Tables.

The national-bank Act, referred to in text, is act June 3, 1864, ch. 106, 13 Stat. 99, which is classified principally to chapter 2 (§21 et seq.) of this title. For complete classification of this Act to the Code, see References in Text note set out under section 38 of this title.

## CODIFICATION

Section is comprised of the sixth and seventh pars. of section 2 of act Dec. 23, 1913. For classification of other

pars. of section 2 of this Act, see Codification note set out under section 222 of this title.

**Statutory Notes and Related Subsidiaries**

## CHANGE OF NAME

Section 203(a) of act Aug. 23, 1935, changed name of Federal Reserve Board to Board of Governors of the Federal Reserve System.

## EXCEPTION AS TO TRANSFER OF FUNCTIONS

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**§ 502. Liability of shareholders of Federal reserve banks on contracts, etc.**

The shareholders of every Federal reserve bank shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such bank to the extent of the amount of their subscriptions to such stock at the par value thereof in addition to the amount subscribed, whether such subscriptions have been paid up in whole or in part under the provisions of this chapter.

(Dec. 23, 1913, ch. 6, §2 (par.), 38 Stat. 252.)

**Editorial Notes**

## REFERENCES IN TEXT

This chapter, referred to in text, was in the original “this Act”, meaning act Dec. 23, 1913, ch. 6, 38 Stat. 251, known as the Federal Reserve Act. For complete classification of this Act to the Code, see References in Text note set out under section 226 of this title and Tables.

## CODIFICATION

Section is comprised of the fourth par. of section 2 of act Dec. 23, 1913. For classification of other pars. of section 2 of this Act, see Codification note set out under section 222 of this title.

**§ 503. Liability of directors and officers of member banks**

If the directors or officers of any member bank shall knowingly violate or permit any of the agents, officers, or directors of any member bank to violate any of the provisions of sections 375, 375a, 375b, and 376 of this title or regulations of the board made under authority thereof, or any of the provisions of sections 217, 218, 219, 220,<sup>1</sup> 655, 1005, 1014, 1906, or 1909 of title 18, every director and officer participating in or assenting to such violation shall be held liable in his personal and individual capacity for all damages which the member bank, its shareholders, or any other persons shall have sustained in consequence of such violation.

(Dec. 23, 1913, ch. 6, §22(f), as added Sept. 26, 1918, ch. 177, §5, 40 Stat. 971; amended Sept. 3, 1954, ch. 1263, §28, 68 Stat. 1236.)

**Editorial Notes**

## REFERENCES IN TEXT

Sections 217, 218, 219, and 220 of title 18, referred to in text, were renumbered sections 212, 213, 214, and 215 of title 18, respectively, by Pub. L. 87-849, §1(d), Oct. 23,

<sup>1</sup> See References in Text note below.