

celled; and it shall be lawful for such corporation to issue an equal number of new shares in their stead, so that the number of unredeemed shares may always equal and never exceed the number of shares fixed by the certificate of incorporation of such corporations; and the member or members of such corporations so redeeming their said share or shares of stock shall cease to be stockholders, and shall not be entitled to vote at any meeting of such corporations held for the purpose of electing directors or for any other purpose, and shall not be eligible for any of the offices of the corporations.

This section referred to in upholding constitutionality of sec. 131—see notes thereto. *Carozza v. Federal Finance Co.*, 149 Md. 246.

Act which gave additional powers to association incorporated as building association, but provided that it should be subject to all laws relating to building association, the by-laws of said corporation do not prevail over the statute. *Mortgage Bond Asso. v. Baker*, 157 Md. 315.

One to whom stock is issued by building and loan association in connection with loan, but which stock is redeemed by the making of the loan, is not a member of the association and is not charged with any liability fixed by a by-law of the association apart from liability in mortgage deed, etc.; nor is one borrowing from association affected by a by-law of which he had no knowledge and which was not in printed by-laws given him. Losses for premature payment of loan must be shown. *Watson v. Loan & Savings Asso.*, 158 Md. 339.

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Transaction between building association, bank and certain individuals, held not within this section. No evidence of fraud. *National Bank v. Crockett*, 145 Md. 445.

Note issued by building and loan association to a free shareholder for the amount of a deposit previously made by him, for the purpose of changing his status from that of a free shareholder to that of a general creditor, was invalid under this section. *Monroe v. Broening*, 167 Md. 239.

Cited but not construed in *Watson v. Loan & Savings Asso.*, 158 Md. 341.

1929, ch. 453.

171A. Foreign building associations doing business in this State shall conduct such business in accordance with the laws governing domestic associations. No foreign building and loan association shall do business in Maryland until it procures from the State Tax Commission a certificate of authority to do business in this State, after complying with the following provisions:

(a) It shall deposit with the Treasurer of Maryland Fifty Thousand Dollars, in cash or bonds of the United States or of this State.

(b) It shall file with the State Tax Commission of Maryland a certified copy of its charter, constitution and by-laws, and other rules and regulations showing its manner of conducting business, together with a statement such as is required annually from all associations.

(c) It shall file with the State Tax Commission a power of attorney appointing a citizen of this State, resident within this State, the agent or attorney for the association, upon whom process of law can be served. There must also be filed a certified copy of the vote or resolution of the directors appointing such attorney, which appointment shall continue until another attorney is substituted, and said writing or power of attorney shall stipulate and agree on the part of the association making the same that