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Unauthorized Practice

North Dakota Law Review Associate Editors

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Bank sold defendants notes totaling \$9,185.39. Defendants I. and S. were sureties on depository bond of Bank M. I. was president of Bank F. He was about to leave, hence, declined to sign a new bond, but agreed to buy enough paper from Bank M. to enable it to pay off county deposits. The best paper was selected. R., the president of the M. Bank, signed a check in advance for the amount due the county, which was afterwards delivered by I. The money for the deposit in F. Bank was furnished by defendants I. and S., who claimed to be acting for themselves and not F. Bank. The amount actually paid was not \$9,185.39, but \$9,000.00, and no deposit credit appeared on books of F. Bank until Oct. 13, 1930, when Receiver took charge. The receipt of S., however, specified that the amount was to be credited to M. Bank's account in F. Bank at time of the note purchase. HELD: That an insolvent bank may not prefer a depositor by the sale of notes, the proceeds of which are used to pay the deposit. Knowledge of an officer of a bank is not notice to the bank, except when such officer is acting for the bank. Here I. was not acting for Bank F. That bank never had the notes sold, and never got title to the special deposit made by I. and S., as the deposit and transfer to the county were made at the same time and as authorized by I. The Court asked this question: "If M. Bank had been a sound institution the bondsmen would not have been so anxious to get off the bond and even if they did decide to retire the bond with cash, why did they not deposit the money in M. Bank and let M. Bank pay the deposit with its own draft, or furnish another bond and retain the deposit as part of the assets?" Judgment is reversed so far as F. Bank is concerned, but affirmed as to defendants R. S. and I., I. and S., as bondsmen, being subrogated to the rights of the county so far as dividends on liquidation are concerned.

UNAUTHORIZED PRACTICE

Several letters have come to the Editor recently expressing, in no uncertain terms, their disapproval of what they term "the failure to accomplish anything" concerning the unlicensed practice of law. One letter criticized the present committee, another referred to the "extraordinary expenditure" for investigation purposes recently published.

May we say, in all sincerity, that this present committee is entitled to some consideration before being condemned. Its appointment was not made until just before Christmas. It could not organize until recently. It is serving without remuneration, other than its expenses. It may have sufficient evidence on hand, as indicated in the report at the annual meeting, but it should not proceed hastily in making its first legal approach to the problem. We believe the committee will act, and that it will act with effect, but it must act deliberately and with the important consideration of choosing the best possible case with which to make its start.

We invite your patience and tolerant consideration.

ATTENTION, COMMITTEE CHAIRMEN

President Cain desires the next annual meeting to be one of outstanding accomplishment. In order to make that desire effective, the chairmen of committees of the State Association are requested to file their reports with the State Secretary on or before the 1st of June,