officers for entries made with the intent to deceive the examiner make less urgent an additional deterrent in the form of civil liability. New York Penal Law 1930, c. 41 § 304. *Cf.* Mass. Gen. L. 1932, c. 226, § 53A; Smith-Hurd's Ill. Rev. Stat. 1933, c. 16½, § 4. It is noteworthy, moreover, that criminal prosecution for making false entries may encounter a logical difficulty as a result of the instant decision since the note, being enforceable against the maker, is not fictitious.

Although the application of a rule requiring either bad faith or reliance for recovery would generally result in the liability of the accommodator since the character of the transaction *prima facie* implies bad faith, the rule would be sufficiently flexible to prevent injustice in a proper case. In the instant case the bank's request was made more plausible by past dealings related to the accommodation note. Since there was no showing either of damage to strangers or of an intent to deceive on the part of the accommodator, the imposition of liability with its consequent windfall for the bank was unfortunate.

Building and Loan Associations—Constitutionality of Statute Limiting Withdrawals by Representative of Deceased Stockholder—[Oklahoma].—The plaintiff was the executor of a stockholder who purchased his stock in the defendant building and loan association in 1930. An Oklahoma statute of 1921 provided that "upon the death of a stockholder his legal representative shall be entitled to receive the full amount paid in by him and legal interest thereon . . . ." Okla. Stat. 1921, § 9800. Three months prior to the stockholder's death, the statute was amended to provide that "upon the death of a stockholder his legal representative shall be entitled to receive the full amount paid in by him and such proportion of the profits as the by-laws may determine . . . less a proportionate share of any loss sustained by such association." Okla. L. 1933, c. 54. At the time of the stockholder's death the defendant had sustained losses; and since this case was decided has been placed in receivership. The plaintiff claimed the amount due under the 1921 act on the ground that the amendment impaired the contractual obligation of the defendant to pay and deprived the estate of property without due process of law. *Held*, the 1921 statute gave the plaintiff a vested right of which he could not constitutionally be deprived. *Baker v. Tulsa Bldg. & L. Ass'n*, Okla. Sup. Ct. (Nov. 15, 1936) (rehearing pending).

Though the impairment of contract and due process clauses are relied upon by the court, the ultimate question in this case is whether the state properly exercised its reserved power to alter and amend laws relating to corporations. Okla. Stats. 1931, § 9716. Whether or not a contract right is vested depends upon whether or not it is subject to alteration under the reserve power. See Chitty, J., in *Pepe v. City & Suburb Bldg. Soc.*, [1893] 2 Ch. 311, 313–14; 4 Univ. Chi. L. Rev. 139 (1936). The principle involved in the use of the reserve power is that of compromise between individual and public interests. *Home Bldg. & L. Ass'n v. Blaisdell*, 290 U.S. 398 (1934); *Fornataro v. Atlantic Coast Bldg. & L. Ass'n*, 10 N.J. Misc. 1248, 163 Atl. 240 (1932). It is arguable that the decision in this case contravenes both public and individual interests.

Building and loan associations are organized for mutual aid in financing home purchasing and construction. Thompson, Building Associations §§ 23, 314 (2d ed. 1899); Thornton & Blackledge, Building Associations § 122 (2d ed. 1899). Because of their importance in building development, these associations are considered quasi-public and are subject to greater governmental control than ordinary private corporations.

See Cardozo, J., in *Hopkins Federal Sav. & L. Ass'n v. Cleary*, 296 U.S. 315 (1935); *Prudential Bldg. & L. Ass'n v. Shaw*, 119 Tex. 228, 26 S.W. (2d) 168 (1930). With respect to individual interests, a building and loan association is mutual and cooperative, all members being equally entitled to share in the assets in proportion to their contributions. *Fornataro v. Atlantic Coast Bldg. & L. Ass'n.*, 10 N.J. Misc. 1248, 163 Atl. 240 (1932). It has been held to be a good defense to an action by a withdrawing shareholder to show that full payment to the plaintiff would deprive the remaining members of part of their proportionate share in the existing assets. *Richman v. Hercules Bldg. & L. Ass'n*, unreported, cited in *Fornataro v. Atlantic Coast Bldg. & L. Ass'n*, 10 N.J. Misc. 1248, 1254, 163 Atl. 240, 242 (1932). This result follows from the special definition of insolvency which has been applied to building and loan associations. Such associations are deemed insolvent when they are unable to pay their stockholders the amount of their contributions dollar for dollar. *Mott v. Western Sav. & L. Ass'n.*, 142 Ore. 344, 20 P. (2d) 236 (1933); *Towle v. Am. B., L. & Inv. Soc.*, 61 Fed. 446 (D.C. Ill. 1894). When insolvency supervenes, mutuality compels mutual participation in the reduced assets, even though some members have given notice of withdrawal which has matured; consequently the right of withdrawal is suspended in the absence of some express provision to the contrary. *Aldrich v. Gray*, 147 Fed. 453 (C.C.A. 6th 1906); 49 L.R.A. (n.s.) 1142 n. (1914); Endlich, Building Associations § 511 (2d ed. 1895); Thompson, Building Associations § 289 (2d ed. 1899). The effect of the holding in the present case is that one stockholder of an insolvent building and loan association has a "vested" right to reduce the proportionate share of all the other stockholders in the existing assets, even though by the same reasoning every other member must have the same "vested" right to be paid in full in the event of his death. Substantially, the 1933 statute suspended the right of the plaintiff to sue for the full amount paid in as long as the association remained insolvent. This is no more than the courts of some jurisdictions have already accomplished without statutes. See *Brown v. Victor Bldg. Ass'n*, 302 Pa. 254, 153 Atl. 349 (1931).

Conflict of Laws—Applicable Law in Determining whether Instrument is Sealed within the Meaning of Statute of Limitations—[Georgia].—Suit was brought in Georgia on a written promise to pay money which was executed and payable in Florida. Under Florida law the instrument embodying this promise, although it did not recite that it was sealed, would be considered as sealed. A Georgia statute provided that for purposes of determining the period of limitations, an instrument was not under seal unless the body of the instrument contained a recitation of this fact. The period of limitations for simple contracts established by the Georgia Code had elapsed, but the limitation for actions on sealed instruments containing a recitation that such instruments were sealed had not elapsed. *Held*, dismissal of suit affirmed. Instruments were not sealed within meaning of the Georgia statute of limitations. *Alropa Corp. v. Rossee*, 86 F. (2d) 118 (C.C.A. 5th 1936).

In applying the conflict of laws principle that the validity of a contract may be governed by foreign law while the procedure to be followed is always that of the law of the forum, American courts are unanimous in holding that the period of limitations on contracts is an incident of procedure. 3 Beale, Conflict of Laws §§ 584.1, 603.1 (1935). But it has been suggested that limitation of action, analytically, is a substan-