

Case No. 16,124.

UNITED STATES v. RAY.

[2 Cranch, C. C. 141.]¹

Circuit Court, District of Columbia.

June Term, 1817.

CORPORATIONS—POWER TO ISSUE NOTES.

1. The Independent Manufacturing Company of Baltimore might authorize their president and treasurer to issue promissory notes, having the form of bank-notes, in bona fide payment for materials furnished, and services rendered for the use of the company, if done without fraudulent intention.
2. But they had no right to pass them away for the purpose of putting them into circulation as a current circulating medium, and not in payment for materials. &c, for the use of the company in the ordinary course of their business as a manufacturing company, and, if so issued and passed by the defendant as a circulating medium, with intent to defraud or injure any person, he is guilty of an indictable offence.

This cause was, by consent, tried upon the presentment, which was in these words: “District of Columbia, Washington County Court, June Term, 1817. The grand jury for the body of the county aforesaid, on their oaths present Andrew Ray, of Baltimore, styling himself president of ‘The Independent Manufacturing Company of Baltimore,’ for fraudulently passing and attempting to pass certain promissory notes in the form and appearance of bank-notes, stating them to be payable to—or bearer, by ‘The Independent Manufacturing Company of Baltimore,’ said Ray knowing such notes to be spurious and void; the funds and property of the said company not being bound to redeem or pay the same, they not being under the seal of the said company as required by their charter, on the information of John Peter, mayor of Georgetown, on or about the 29th of May last. John Ott, Foreman.”

Mr. Law, for defendant, moved the court to instruct the jury, that the facts proved did not amount to any crime or offence.

Mr. Jones, for the United States, contended that the corporation had no power to issue such notes; that they could only contract under their corporate seal; or that if they can issue promissory notes, it can only be for the purchase of materials, &c, in the regular course of their business as manufacturers.

THE COURT (THRUSTON, Circuit Judge, absent) instructed the jury, that if they should be of opinion, from the evidence in this cause, that the traverser gave the notes in the presentment mentioned, in bona fide payment for materials, or articles purchased by him as the agent and for the use of the manufacturing company in the presentment mentioned, or for services bona fide rendered for the use of the said company, or in payment of his expenses as agent of the said company; and that he was, by a vote of the directors of the said company, instructed to use the said notes in that manner: and that the said notes were signed by him as president, and by Edward Gillespie, treasurer of the said

UNITED STATES v. RAY.

company, by an order of the said board of directors, and that he was appointed by the said company as their agent to make such purchases or payments; and that he as agent as aforesaid, in making such payment, had no intention to defraud any person, then he was guilty of no offence in so uttering or passing, or paying away the said notes. But if the jury should be of opinion, from the evidence in this cause, that the traverser passed away the said notes for the purpose of putting them into circulation, as a current circulating medium, and not in payment for goods, materials, services, or expenses for the use of the said company, in the ordinary course of their business as a manufacturing company, with a view to defraud or injure any person, then he was guilty of such an offence as would support an indictment

Verdict, "Not guilty."

¹ [Reported by Hon. William Cranch, Chief Judge.]