

Robertson Vs. Coulter

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Court : US Supreme Court

Decided On : 1853

Appeal No. : 57 U.S. 106

Appellant : Robertson

Respondent : Coulter

Judgement :

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Robertson v. Coulter

57 U.S. (16 How.) 106

ERROR TO THE HIGH COURT OF ERRORS AND

APPEALS OF THE STATE OF MISSISSIPPI

SYLLABUS

In the State of Mississippi, a judgment of forfeiture was rendered against the Commercial Bank of Natchez and a trustee appointed to take charge of all promissory notes in possession of the bank.

The trustee brought an action upon one of these promissory notes.

The defendant pleaded that the plaintiff, as trustee, had collected and received of the debts, effects, and property of the bank an amount of money sufficient to pay the debts of the bank, and all costs, charges, and expenses incident to the performance of the trust.

To this plea the plaintiff demurred.

The action was brought in a state court, and the highest court of the state overruled the demurrer and gave judgment for the defendant.

This Court has no jurisdiction under the twenty-fifth section of the Judiciary Act to

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review this decision. The question was merely one of construction of a statute of the state as to the extent of the powers of the trustee under the statute.

The facts of the case are stated in the opinion of the Court.

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MR. CHIEF JUSTICE TANEY delivered the opinion of the Court.

This case is brought here by writ of error directed to the High Court of Errors and Appeals of the State of Mississippi under the 25th section of the act of 1789 upon the ground that a law of that state, under which this decision was made, impairs the obligation of contracts.

It is an action of assumpsit. The plaintiff declares on a promissory note made by Collins in his lifetime to the Commercial Bank of Natchez. The declaration avers that after the execution of the note and before the commencement of this suit, a judgment of forfeiture was rendered against the bank on the 12th of December, 1845, according to a statute of the state in such case made and provided, and that the plaintiff was appointed by the court trustee, and as such took possession of

this note, and that by means thereof and by force of the statute of the state, Collins became liable to pay him the money.

The defendants pleaded that the plaintiff, as trustee, had

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collected and received of the debts, effects, and property of the bank an amount of money sufficient to pay the debts of the bank and all costs, charges, and expenses incident to the performance of the trust. To this plea the plaintiff demurred.

The court of appeals overruled the demurrer and gave judgment for the defendant upon the ground that the plea was a full and complete bar to the enforcement of the right set out in the declaration. And this judgment is now brought here for revision by writ of error.

A motion has been made to dismiss the writ for want of jurisdiction. And in the argument of this motion a question has been raised whether, by the common law, the debts due to a bank at the time of the forfeiture of its charter would not be extinguished, upon the dissolution of the corporation, and the creditors without remedy. And cases have been referred to in the Mississippi Reports in which it has been decided that, by the common law, previous to any state legislation on the subject upon the dissolution of a banking corporation, its real estate reverted to the grantor and its personal property belonged to the state; that the debts due to it were extinguished, and the creditors without remedy against the assets or any of them which belonged to the bank at the time of the forfeiture.

But this question is not before us upon this writ of error, and we express no opinion upon it. The suit is not brought by a creditor of the bank seeking to recover a debt due to him by the corporation at the time of its dissolution. But it is brought by a trustee appointed by a court of the state, under the authority of a statute of the state, and the question before the state court which the pleadings presented was whether the trustee was authorized by the law under which he was appointed to collect more money from the debtors of the corporation than was necessary to pay its debts, and the expenses of the trust.

Now in authorizing the appointment of a trustee where a banking corporation was dissolved, the state had undoubtedly a right to restrict his power within such limits as it thought proper. And the trustee could exercise no power over the assets or credits of the bank beyond that which the law authorized. The court of appeals, it appears, decided that the statute did not authorize him to collect more than was sufficient to pay the debts of the corporation and the costs and charges of the trust. And as the demurrer to the plea admitted that he had collected enough for that purpose, the court held that he could not maintain a suit against the defendants to recover more.

The question therefore presented to the state court was merely as to the powers of a trustee appointed by virtue of a statute of Mississippi. His powers depended upon the

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construction of the statute. And we have no right to inquire whether the state court expounded it correctly or not. We are bound to receive their construction as the true one. And this statute, as expounded by the court, does not affect the rights of the creditors of the bank or the stockholders. The plaintiff does not claim a right to the money under a contract made by him, but under the powers and rights vested in him by the statute. And if the statute clothes him with the power to collect the debts and deal with the assets of the bank to a certain amount only, and for certain purposes, we do not see how such a limitation of his authority interferes in any degree with the obligation of contracts.

The writ of error to this Court must consequently be

Dismissed for want of jurisdiction.

ORDER

This cause came on to be heard on the transcript of the record, from the High Court of Errors and Appeals of the State of Mississippi and was argued by counsel. On consideration whereof it is now here ordered and adjudged by this

Court that this cause be, and the same is hereby, dismissed for the want of jurisdiction.

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