In the Pennsylvania case the tendency to exonerate from liability directors who are personally free from fraud was certainly carried to considerable lengths. A rule adopted by several Pittsburgh banks is adverted to in the opinion:

"The reports of the bank's condition made by the president to the directors from time to time showed it to be in good condition, while in point of fact it was honeycombed with fraud, and its assets squandered in wild speculations. It may be asked, why did not the directors discover this by an examination of the books? The answer is that if they had examined every book in the bank, with a single exception, they would not have found the fraud. That exception is the individual ledger. All the frauds were dumped into this book and appeared nowhere else. The individual ledger contains the accounts of the individual depositors, and this book, by the rules of a large majority of the Pittsburgh banks, the directors are not allowed to see. This is a rule of policy on the part of most city banks, and the reason for it is at least plausible. A director largely engaged in business may have a number of rivals in the same business who are depositors in the bank. If he is permitted to examine their accounts, it gives him an advantage, and an insight into a rival's affairs that few business men would tolerate. Hence it is a question with many banks whether to adopt this rule or lose valuable customers, and they generally prefer the former. We are not speaking of the wisdom of the rule, only of its existence as bearing upon the question of the directors' negligence. Are they to be held to be guilty of gross negligence in not examining a book which, by the rules of their own bank, and of four-fifths of the other banks in Pittsburgh, the directors are not permitted to see?"

The gist of the decision is that directors "are only liable for fraud, or of such gross negligence as amounts to fraud," and the court further cites in support of the general result reached a decision of the Supreme Court of the United States (*Briggs* v. *Spaulding*, 141 U.S., 132).

Turning to the decisions in our own State, we do not find such a lax rule of accountability administered as in Pennsylvania. In *Hun* v. *Cary*, 82 N.Y., 65, our Court of Appeals criticises and disapproves of the doctrine laid down in Spering's Appeal, 71 Penn. St., 11, which case was much relied on in *Swentzel* v. *Penn Bank* (*supra*). Earl, J., remarks: "It seems to me that it would be a monstrous proposition to hold that trustees, intrusted with the management of the property, interests, and business of other people, who divest themselves of the management and confide in them, are bound to give only slight care to the duties of their trust, and are liable only in case of gross inattention and negligence." The opinion states the standard of care and responsibility as follows: "That the trustees of such corporations are bound to use some diligence in the discharge of their duties cannot be disputed. All the authorities hold so. What degree of care and diligence are they bound to exercise? Not the highest degree, not such as a very vigilant or extremely careful person would exercise. If such were required it would be difficult to find trustees who would incur the responsibility of such trust positions. It would not be proper to answer the question by saying the lowest degree. Few persons would be willing to deposit money in savings banks, or to take stock in corporations, with the understanding