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IN THE HOUSE

BY THE JUDICIARY COMMITTEE

SCS FOR HOUSE BILL NO. 292

IN THE LEGISLATURE OF THE STATE OF ALASKA

SECOND LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to corporate ownership of shares in banks; repealing and re-enacting Sec. 3.167, Ch. 129, SLA 1951 as amended; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

Section 1. Sec. 3.167, Ch. 129, SLA 1951 as amended by Ch. 194, SLA 1959 and Ch. 139, SLA 1961 is repealed and re-enacted to read:

Sec. 3.167. CORPORATE OWNERSHIP OF SHARES IN BANKS PROHIBITED. a. It shall be unlawful for any corporation, foreign or domestic, to purchase or own in any manner whatsoever the capital stock, or any of it, of any corporation which is subject to this Act, provided, that when it shall become a bona fide necessity to avoid loss, for a creditor corporation to accept shares of stock in any such regulated corporation in payment of indebtedness owing to such creditor corporation, such shares of stock may be so accepted, but in all such cases the shares of the regulated corporation shall be disposed of in accordance with regulations of the Commissioner of Commerce; Provided, however, notwithstanding any other provisions of this Act, any domestic bank holding company, as defined by Subsec. b, organized pursuant to Ch. 126, SLA 1957, which shall maintain its principal office and place of

1 business in this state and conduct its principal operations
2 in this state, may acquire and own all or any portion
3 of the voting shares or other capital stock of, or all or
4 substantially all of the assets of, any corporation which
5 is subject to the regulations of the Commissioner of Com-
6 merce under the provisions of this Act; Provided, further,
7 any such holding company may be required to post a bond, in
8 an amount equal to the par value of the stock held by it,
9 with the Commissioner of Commerce under such condition as
10 may be prescribed by him to assure full protection to the
11 public; Provided, any such holding company shall be subject
12 to an examination by the Commissioner of Commerce, or a
13 competent person designated by him, whenever he deems it
14 necessary, but not less than once each year, and that the
15 actual cost of each examination shall be paid to the
16 Commissioner by every holding company so examined, and the
17 Commissioner may maintain an action for the recovery of
18 such costs in any court of competent jurisdiction.

19 b. "domestic bank holding company" means any
20 domestic corporation, business trust, association, or
21 other similar organization which on the effective date of
22 this Act or hereafter is designated a holding company
23 affiliate by the Board of Governors of the Federal Reserve
24 System rather than a bank holding company per se because
25 such company is an owner or holder of shares of stock of
26 a single banking corporation rather than of two or more
27 banking corporations.

28 c. The Commissioner of Commerce is empowered to
29 promulgate rules and regulations regulating domestic bank

1 holding companies to insure financially sound banking
2 organization and practice.

3 d. Any person or persons, company or corporation, or
4 any of the officers, servants, agents or employees of
5 any such person, company or corporation, who shall violate
6 any of the rules and regulations promulgated pursuant to
7 Subsec. c. shall be deemed guilty of a misdemeanor, and
8 upon conviction thereof shall be punished by a fine of
9 not more than Five Thousand Dollars (\$5,000.00) or by
10 imprisonment for a period of not more than one year or
11 both; and in the case of a corporation, by a fine of not
12 more than Five Thousand Dollars (\$5,000.00).

13 Sec. 2. This Act takes effect on the day after its passage
14 and approval or on the day it becomes law without such approval.
15 Passed by the House, February 27, 1962.

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18 ATTEST:

Speaker of the House

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Chief Clerk of the House

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Passed by the Senate, March 9, 1962.

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President of the Senate

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ATTEST:

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Secretary of the Senate

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