

Introduced: 4/15/71  
Referred: Commerce and  
Judiciary

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 HOUSE BILL NO. 430

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to wholly owned subsidiaries of  
7 financial institutions."

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

9 \* Section 1. AS 06.05.235(a) is amended to read:

10 (a) Except as provided in (e) of this section, it [IT] is  
11 unlawful for a corporation, foreign or domestic, to own, control or  
12 hold with power to vote, 10 per cent or more of the capital stock of a  
13 corporation subject to this chapter. Nothing in this section prohibits  
14 a corporation from qualifying as a domestic bank holding company as  
15 provided in (b) of this section. However, when it becomes a bona fide  
16 necessity to avoid loss for a creditor corporation to accept shares of  
17 stock in the regulated corporation in payment of indebtedness owing to  
18 the creditor corporation, shares of stock may be so accepted, but in  
19 this case the shares of the regulated corporation shall be disposed of  
20 in accordance with regulations of the commissioner of commerce.

21 \* Sec. 2. AS 06.05.235 is amended by adding new subsections to read:

22 (e) A banking corporation chartered by the commissioner of commerce  
23 under the provisions of this chapter may acquire and own all of the  
24 outstanding shares of a state savings and loan association chartered  
25 by the commissioner of commerce, if the business of the savings and  
26 loan association is conducted only within the banking premises of the  
27 bank.

28 (f) The commissioner of commerce may promulgate regulations  
29 regulating the acquisition and ownership of stock as well as the

1 formulation and operations of wholly owned subsidiaries authorized  
2 under (e) of this section.

3 \* Sec. 3. AS 06.15.270 is amended by adding new subsections to read:

4 (b) Notwithstanding the provisions of (a) of this section, a  
5 mutual bank may acquire and own all of the outstanding shares of a  
6 banking corporation or trust company chartered by the state under  
7 AS 06.05 or AS 06.25, if the business of the banking corporation is  
8 conducted only within the premises of the mutual bank.

9 (c) The commissioner of commerce may promulgate regulations regu-  
10 lating the acquisition and ownership of stock as well as the formulation  
11 and operation of wholly owned subsidiaries authorized by (b) of this  
12 section.  
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