

Introduced: 1/28/77  
Referred: Commerce

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 FCCS HCS CS SENATE BILL NO. 98 *am (commerce) H*

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making miscellaneous amendments to the banking  
7 statutes."

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

9 \* Section 1. AS 06.05.010 is repealed and re-enacted to read:

10 Sec. 06.05.010. NOTICE AND HEARING. Except for the adoption of  
11 regulations, under the Administrative Procedure Act (AS 44.62), the  
12 department shall give public notice of each proposed action but is not  
13 required to hold a hearing before taking the action unless it receives  
14 written opposition to the proposed action. Written opposition must be  
15 filed with the department within the time specified by the department.  
16 In cases involving extraordinary circumstances requiring immediate  
17 action, the department may take action without notice and public  
18 hearing, but upon application to rescind the action taken, the depart-  
19 ment shall promptly hold a hearing on the application.

20 \* Sec. 2. AS 06.05.035 is amended to read:

21 Sec. 06.05.035. EXAMINATION FEE. A bank examined under the pro-  
22 visions of sec. 25 of this chapter shall pay a fee to the department  
23 of \$175 [\$125] per examiner for each day or part of a day required for  
24 the examination but not to exceed \$7,500 [\$3,750] per calendar year.  
25 The total amount of the fee shall be paid by the bank promptly upon  
26 receipt of the examination report and billing from the department.

27 \* Sec. 3. AS 06.05.045(a) is amended to read:

28 (a) Every state bank shall make at least four reports of con-  
29 dition each year to the department on days designated by it, and on

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1 forms prescribed by it. The report shall be verified by an oath of  
2 the president, vice president, or cashier and by at least three  
3 directors, certifying and subscribing under oath that they and each of  
4 them have personal knowledge of the facts stated in the report and  
5 that the facts are true. The reports shall exhibit in detail and  
6 under appropriate heads the resources and liabilities of the bank, and  
7 shall be transmitted or mailed to the department within 10 days of the  
8 receipt of the request from the department [IT].

9 \* Sec. 4. AS 06.05.050 is amended to read:

10 Sec. 06.05.050. PUBLICATION OF REPORTS. All reports of condition  
11 required by sec. 45(a) of this chapter shall be published immediately  
12 in condensed form at least once in a newspaper of general circulation  
13 published in the place where the bank is located. If no newspaper is  
14 published in that place, then the report shall be published in the  
15 newspaper published nearest to that place.

16 \* Sec. 5. AS 06.05.055(a) is amended to read:

17 (a) The department shall report to the governor annually, within  
18 120 [60] days after the end of each fiscal year. The report shall  
19 include

- 20 (1) the text of all rules of general application, adopted  
21 or altered by the department since its last report;  
22 (2) recommendations for legislation;  
23 (3) a statement of the status and assets and liabilities of  
24 all banking organizations which are in the possession of the depart-  
25 ment;  
26 (4) a summary of all changes occurring since its last  
27 report by reason of opening new state banks, mergers and conversions,  
28 increases and decreases in capital and similar changes;  
29 (5) a statement of condition of each state bank as of the

1 date of the most recent report of condition submitted to the department.

2 \* Sec. 6. AS 06.05.065 is repealed and re-enacted to read:

3 Sec. 06.05.065. BANKING INTEREST OF DEPARTMENT OFFICERS AND EM-  
4 PLOYEES. (a) No bank examiner of the department who deals with the  
5 regulation of lending institutions, special agent selected by the  
6 department to do work relating to lending institutions, the commissioner  
7 or deputy commissioner of the department, or the director of banking  
8 may be an officer, employee, director, trustee, attorney, stockholder,  
9 or partner of a lending institution, or receive, directly or indirectly,  
10 a payment or gratuity from a lending institution. A person subject to  
11 this section may not borrow money from a state-chartered lending  
12 institution except as provided in this section.

13 (b) A person subject to this section may

14 (1) be a depositor in a lending institution;

15 (2) purchase shares of a savings and loan association on  
16 the same terms available to the public;

17 (3) be a member of an employee credit union;

18 (4) be indebted to a state chartered lending institution  
19 upon an installment debt transferred to the lending institution in the  
20 regular course of business by a seller of goods, including but not  
21 limited to household goods, mobile homes, motor vehicles, or boats  
22 purchased by the employee for personal use only.

23 (c) This section does not limit the authority of an officer or  
24 employee of the department acting in his official capacity in the  
25 business of the department.

26 (d) An officer or employee who violates this section shall be  
27 dismissed and is forever disqualified from holding any position in the  
28 department relating to the regulation of state lending institutions.  
29 A nonexempt employee dismissed under this section may appeal his dis-

1 missal under the state personnel Act.

2 (e) Any person who violates this section is guilty of a misde-  
3 meanor, and upon conviction is punishable by a fine of not more than  
4 \$5,000, or by imprisonment for not more than one year, or by both, and  
5 may also be fined an amount equal to the value of the property given  
6 or received or the money loaned or borrowed.

7 (f) As used in this section, the term "lending institution"  
8 means a state-chartered bank, mutual savings bank, savings and loan  
9 association, any other state-chartered financial institution, a  
10 foreign banking corporation or institution, bank holding company, or  
11 other institution doing banking business in the state.

12 \* Sec. 7. AS 06.05.200(a) is amended to read:

13 (a) Each commercial bank which is not a member of the federal  
14 reserve system shall maintain total reserves equal to the following  
15 percentages of the aggregate amount of its deposits, exclusive of  
16 deposits of the United States, the State of Alaska, borough and municipi-  
17 pal governments and other deposits of public money which are secured  
18 as required by law

19 (1) 20 per cent of its demand deposits; and

20 (2) eight per cent of its time and savings deposits.

21 \* Sec. 8. AS 06.05.200(b) is amended to read:

22 (b) Only vault cash and the amount due from good and solvent  
23 banks located in the state [,] or within the United States, the deposits  
24 of which are insured by the Federal Deposit Insurance Corporation, may be  
25 used in computing the reserves required under (a) of this section and  
26 the computation shall be made on the basis of average daily net  
27 deposit balances covering bi-weekly periods.

28 \* Sec. 9. AS 06.05.205(a) is amended to read:

29 (a) If an officer or employee of a bank loans funds of the bank

1 in an amount exceeding \$25,000 [\$5,000] to a person he must [SO]  
2 notify the board of directors of the bank.

3 \* Sec. 10. AS 06.05.205(b) is amended to read:

4 (b) It is unlawful for an officer or employee of a state bank to  
5 loan funds of the bank to a person in a sum exceeding 15 per cent of  
6 its combined capital [STOCK], surplus, and undivided profits. Unearned  
7 income may not be included in determining the amount a bank may loan  
8 under this subsection. In the case of a corporation the total of any  
9 sum loaned directly to the corporation, and of any sum loaned in such  
10 manner or to such person that the capital stock of the corporation is  
11 received by the bank as collateral security for such loan or loans,  
12 shall never exceed 15 per cent of the combined capital, surplus and  
13 undivided profits of the bank. The discount of bills of exchange  
14 drawn in good faith against actual existing values, or loans upon  
15 gold, gold dust, bullion, cannery products, or other produce in transit,  
16 or upon warehouse receipts as collateral security, and the discount of  
17 commercial or business paper actually owned by a person negotiating  
18 the same, are not considered as money borrowed.

19 \* Sec. 11. AS 06.05.210 is repealed and re-enacted to read:

20 Sec. 06.05.210. LOANS TO OFFICERS AND EMPLOYEES. (a) Any  
21 officer or employee of a state bank may borrow up to \$10,000 from the  
22 bank at the discretion of the executive or managing officer of the  
23 bank. Loans in excess of \$10,000 shall have the prior approval of the  
24 board of directors, shall be reported to the department within 30 days  
25 and shall be secured by adequate collateral. For the purpose of this  
26 section, an overdraft is considered a loan.

27 (b) An officer or employee of a state bank who violates this  
28 section is guilty of a misdemeanor and, upon conviction is punishable  
29 by a fine of not more than \$5,000 or by imprisonment for not more than

1 one year, or by both.

2 \* Sec. 12. AS 06.05.212(a) is amended to read:

3 (a) A director, officer, or employee of a state bank who know-  
4 ingly, wilfully, or repeatedly [AND PERSISTENTLY] overdraws his account  
5 or who permits a customer to do so [,] is engaged in an unsound banking  
6 practice [AND SUBJECT TO THE PROVISIONS OF SEC. 5(4) OF THIS CHAPTER].

7 \* Sec. 13. AS 06.05.215 is repealed and re-enacted to read:

8 Sec. 06.05.215. LIABILITY OF DIRECTORS AND OFFICERS FOR CARELESS  
9 OR EXCESSIVE LOANS. An issuing officer, director, executive or manag-  
10 ing officer of a state bank who knowingly approves or permits the  
11 funds of the bank to be lent or overdrafts to be made in a grossly  
12 excessive, negligent or dishonest manner is personally liable for all  
13 such loans or overdrafts. The liability may be enforced against the  
14 issuing officer, director, executive or managing officer by an action  
15 in a court of competent jurisdiction.

16 \* Sec. 14. AS 06.05.230 is repealed and re-enacted to read:

17 Sec. 06.05.230. INVESTMENT IN REAL ESTATE AND BANKING PREMISES.  
18 A bank may acquire, purchase, hold, convey and hypothecate real pro-  
19 perty for the following purposes only:

20 (1) real property necessary for the convenient transaction  
21 of its business, including banking offices, equipment, furniture and  
22 fixtures, leasehold improvements, and parking lots, if the book asset  
23 value of the purchase or investment does not exceed 60 per cent of the  
24 capital account and the surplus account of the bank; the purchase or  
25 investment may consist of stock in a bank building corporation, in  
26 which case it must include all obligations of the building corporation  
27 to the bank;

28 (2) the satisfaction of or on account of debts previously  
29 contracted in the course of its business;

1 (3) the purchase at sale under judgment, decree, lien, or  
2 mortgage foreclosure, against security held by it.

3 \* Sec. 15. AS 06.05.235 is repealed and re-enacted to read:

4 Sec. 06.05.235. BANK HOLDING COMPANIES. (a) It is unlawful for  
5 a company to own, control or hold with power to vote 25 per cent or  
6 more of the capital stock of one or more state banks or state bank  
7 holding companies subject to regulation under this chapter. Nothing  
8 in this subsection prohibits a company from qualifying as a bank  
9 holding company under (b) of this section. However, when it becomes a  
10 bona fide necessity to avoid loss for a creditor to accept shares of  
11 stock in one or more banks or bank holding companies constituting more  
12 than 25 per cent of the ownership or control of a bank or bank holding  
13 company in payment of indebtedness owing to the creditor, shares of  
14 stock may be accepted, but the shares of the one or more banks or bank  
15 holding companies exceeding that 25 per cent shall be promptly disposed  
16 of under the supervision of the department.

17 (b) A domestic bank holding company, as defined in sec. 540 of  
18 this chapter and organized under AS 10.05, which maintains its princi-  
19 pal office and place of business in the state and conducts its princi-  
20 pal operations in the state, may acquire and own all or any portion of  
21 the voting shares or other capital stock of, or all or substantially  
22 all of the assets of, one or more banks or bank holding companies.  
23 The department may require a holding company to post a bond with the  
24 department in an amount equal to the paid-in capital and paid-in  
25 surplus represented by the proportion of bank stock directly or indi-  
26 rectly owned, held, or controlled by it under conditions the department  
27 may prescribe to assure full protection of the public. The holding  
28 company is subject to an examination by the department or a competent  
29 person designated by the department when the department considers it

1 necessary, but not less than once each year. The holding company  
2 shall pay a fee to the department of \$175 per examiner for each day or  
3 part of a day required for the examination.

4 (c) The department may adopt regulations for bank holding  
5 companies to assure financially sound banking organization and practice.

6 (d) A person or an officer, director, agent, or employee of the  
7 person, who violates a regulation adopted under (c) of this section is  
8 guilty of a misdemeanor, and upon conviction is punishable by a fine  
9 of not more than \$5,000, or by imprisonment for not more than one  
10 year, or by both; and in the case of a corporation, by a fine of not  
11 more than \$10,000.

12 \* Sec. 16. AS 06.05 is amended by adding a new section to read:

13 Sec. 06.05.238. REQUIRED DIRECTORS' MEETINGS AND STATEMENTS TO  
14 THE DEPARTMENT. When the department considers it necessary it may  
15 require a meeting of the board of directors of a state bank to be held  
16 in the manner and at the time and place it directs. Any report of an  
17 examination required or allowed by this chapter, any conclusions drawn  
18 from such an examination by the department, any recommendations made  
19 by the department relative to it, and any other matters concerning the  
20 operation and condition of the bank may be presented to the board of  
21 directors by the department. Each member of the board of directors  
22 shall furnish to the department a statement on forms to be supplied by  
23 the department that he has read and is familiar with the recommenda-  
24 tions of the department.

25 \* Sec. 17. AS 06.05.255(a) is amended to read:

26 (a) The aggregate amount of outstanding liabilities of a state  
27 bank for money borrowed exclusive of (1) capital notes and debentures  
28 issued under sec. 307 of this chapter, (2) obligations incurred in  
29 connection with the purchase of bank premises as set out in sec.

1 230(1) of this chapter, and (3) borrowing for emergency purposes as  
2 permitted by the department, may not at any time exceed the total  
3 amount of its unimpaired capital and one-half of its unimpaired surplus  
4 or a larger amount if approved by the department.

5 \* Sec. 18. AS 06.05.270(a) is amended by adding a new paragraph to  
6 read:

7 (10) stock in the Federal National Mortgage Association or a  
8 Federal Reserve Bank.

9 \* Sec. 19. AS 06.05 is amended by adding a new section to read:

10 Sec. 06.05.280. BANK FEES AND CHARGES CONNECTED WITH LOANS. (a)  
11 A bank may require borrowers to pay all reasonable expenses incurred  
12 in connection with the making, closing, disbursing, extending, read-  
13 justing or renewing of loans, including, when appropriate, documented  
14 secretarial expenses, documented loan supervision expenses, appraisal,  
15 attorney, abstract, filing, recording and registration fees, title  
16 examinations, title insurances, mortgage insurances, credit reports,  
17 surveys, drawings of papers, escrow services, loan collection account  
18 services, and taxes or charges imposed upon or in connection with the  
19 making, recording or filing of a mortgage, deed of trust, or other  
20 security instrument intended to perfect a security interest related to  
21 the loan. A bank may also require borrowers to pay the cost of all  
22 other necessary and incidental services furnished by the bank or by  
23 others in connection with loans, including the costs of services of  
24 inspectors, engineers, architects or others reasonably required to  
25 evaluate or administer the loan. The charges by a bank may be col-  
26 lected by the bank from the borrower or added to the loan amount, and  
27 charges by a third party may be collected by the bank from the borrower  
28 and paid to the third party, or may be paid directly to the third  
29 party by the borrower.

1 (b) The fees and charges authorized by (a) of this section are  
2 in addition to the interest authorized by law, and are not a part of  
3 the interest collected or agreed to be paid on a loan within the  
4 meaning of any law of the state which limits the rate of interest.

5 (c) No director, officer or employee of a bank may receive a fee  
6 or other compensation of any kind in connection with obtaining a loan  
7 from a bank, except for services actually rendered as provided in this  
8 chapter.

9 \* Sec. 20. AS 06.05.305 is repealed and re-enacted to read:

10 Sec. 06.05.305. CAPITAL STRUCTURE. (a) It is unlawful for a  
11 corporation to commence and operate a banking business in the state  
12 unless the corporation has paid in capital of at least \$300,000 and  
13 paid in surplus equal to 20 per cent of paid in capital; and it is  
14 unlawful for a bank to operate any branches unless it has an aggregate  
15 paid in capital and paid in surplus of at least \$1,000,000.

16 (b) No reduction of capital stock of a state bank may be made to  
17 an amount less than is required in this chapter for capital. No  
18 reduction of capital stock, cancellation of stock certificates, or  
19 reducing of the liability of the stockholders is valid until it is  
20 approved by the department.

21 (c) If a state bank fails to maintain its total adjusted capital  
22 accounts and reserves in an amount equal to the substandard assets as  
23 reported by the Federal Deposit Insurance Corporation or the state in  
24 a bank's latest report of examination, the department shall consider  
25 the failure as endangering the safety of the depositor and may direct  
26 the bank's directors to increase the capital accounts in an amount  
27 sufficient to cover substandard assets.

28 \* Sec. 21. AS 06.05.307(d) is amended to read:

29 (d) The amount of outstanding notes and debentures not maturing

1 within one year shall be added to the capital, [STOCK AND] surplus  
2 account, and undivided profits [FUND] of the issuing bank for the  
3 purpose of determining the maximum amount that may be loaned by the  
4 bank as provided in sec. 205 of this chapter.

5 \* Sec. 22. AS 06.05.310(c) is amended to read:

6 (c) At any time after the expiration of the 60-day period, the  
7 board of directors may proceed, by action or otherwise, to collect the  
8 assessment from any delinquent stockholder, or it may, whether an  
9 action has been commenced or not, at any time before the assessment is  
10 actually collected [,] sell the stock of the stockholder and forfeit  
11 all the amounts previously collected on the stock. [THEREON. THE  
12 COLLECTION OF ANY ASSESSMENT UNDER THIS SECTION FOR THE PURPOSE OF  
13 REPLACING ANY IMPAIRMENT OF CAPITAL DOES NOT RELIEVE ANY STOCKHOLDER  
14 FROM LIABILITY TO THE CREDITORS OF THE BANK AS PROVIDED BY SEC. 315 OF  
15 THIS CHAPTER.]

16 \* Sec. 23. AS 06.05.340 is repealed and re-enacted to read:

17 Sec. 06.05.340. REMUNERATION FOR ORGANIZING STATE BANKS. A bank  
18 may not pay directly or indirectly a fee, commission, or bonus of any  
19 kind for its promotion and organization or for securing a subscription  
20 to the original capital or to any increase in capital. However, this  
21 section does not prohibit the payment of reasonable compensation for  
22 legal, accounting, and econometric services, or payments to a securities  
23 broker-dealer registered under AS 45.55 for services that have been  
24 performed in connection with the sale of bank securities.

25 \* Sec. 24. AS 06.05 is amended by adding a new section to read:

26 Sec. 06.05.342. SUBSCRIPTIONS FOR SHARES. (a) Any subscription  
27 agreements and accompanying prospectuses or offering circulars, whether  
28 for a proposed state bank or for an increase in capital of an existing  
29 state bank, shall be submitted to the department for approval prior to

1 their use. The department shall determine whether the subscription  
2 agreements provide full and accurate disclosure of the material terms  
3 of the offering. The department may order the incorporators not to  
4 accept any stock subscriptions or to cease accepting subscriptions if  
5 it determines that the incorporators are not acting lawfully or in  
6 good faith.

7 (b) In the case of a proposed state bank, the incorporators  
8 shall submit a list of subscribers, providing the name, residence  
9 address, and occupation of each subscriber and the number of shares  
10 for which he has subscribed.

11 \* Sec. 25. AS 06.05.345 is repealed and re-enacted to read:

12 Sec. 06.05.345. ARTICLES OF INCORPORATION. (a) The incorpora-  
13 tors shall execute articles of incorporation, which shall specify

14 (1) the name assumed by the bank;

15 (2) the judicial district in which the bank is to be located  
16 and the community where the bank is to conduct its principal place of  
17 business;

18 (3) the nature of its business;

19 (4) the amount of its capital stock which shall be divided  
20 into shares of not less than \$1 each;

21 (5) the number of directors of whom there must be at least  
22 five but no more than 25;

23 (6) the period for which the bank is organized, if limited.

24 (b) The articles of incorporation must be signed by all of the  
25 incorporators and acknowledged before an officer authorized to take  
26 acknowledgements.

27 (c) Before commencing business, the incorporators of a proposed  
28 state bank shall obtain the approval of the department. In applying  
29 for the approval the incorporators shall submit to the department

1 (1) an application in the form and containing the informa-  
2 tion the department requires, including but not limited to the follow-  
3 ing:

4 (A) any past and present connection with any bank  
5 other than as a customer on terms generally available to the  
6 public of each incorporator and proposed director and each pre-  
7 incorporation subscriber of more than five per cent of the capital  
8 stock;

9 (B) the name, residence and occupation of each pre-  
10 incorporation subscriber and the number of shares subscribed for  
11 by each;

12 (C) the address of the proposed place of business of  
13 the bank or, if an address is not available, a legal description  
14 of the proposed place of business;

15 (2) the proposed articles of incorporation executed in  
16 triplicate together with applicable fees, payable to the department  
17 for the filing.

18 (d) An application for approval of a proposed bank shall be  
19 accompanied by an application fee of \$1,000. The department may  
20 assess the incorporators for additional amounts; for example, the  
21 actual costs incurred in processing the application if they exceed  
22 \$1,000. Each incorporator is personally, jointly and severally liable  
23 for payment of the total assessment.

24 (e) The department shall notify the incorporators of its decision  
25 on an application for a proposed state bank. If the application and  
26 accompanying documents required by (c) of this section do not conform  
27 to the requirements of this chapter and to the regulations adopted  
28 under this chapter, the department shall return the documents with an  
29 explanation of the defects. If the department does not act within 30

1 days of receipt of the application, the application shall be considered  
2 accepted; however, acceptance of the application does not constitute  
3 approval.

4 (f) The incorporators shall publish notice of the department's  
5 acceptance of the application for a proposed state bank and articles  
6 of incorporation once each week for two successive weeks in a news-  
7 paper of general circulation published in the community proposed as  
8 the bank's principal place of business. If there is no newspaper in  
9 the proposed principal place of business, the notice shall be pub-  
10 lished in a newspaper of general circulation near the community. The  
11 first publication of the notice shall appear within 15 days after the  
12 application and articles of incorporation have been accepted by the  
13 department. The notice shall state:

- 14 (1) the name of the proposed state bank;
- 15 (2) that the proposed bank is to be incorporated under this  
16 chapter;
- 17 (3) the purpose of the proposed bank;
- 18 (4) the names and addresses of the incorporators and the  
19 initial board of directors as they appear in the articles of incor-  
20 poration.

21 (g) Proof of publication under (f) of this section shall be by  
22 affidavit of the publisher of the newspaper in which it was made and  
23 shall be filed with the department.

24 (h) Upon acceptance of an application for approval of a proposed  
25 state bank, the department shall conduct an investigation to ascertain  
26 whether:

- 27 (1) the convenience and needs of the public will be served  
28 by the bank;
- 29 (2) the population density or other economic characteristics

1 of the area primarily to be served by the bank afford reasonable pro-  
2 mise of adequate support for the bank;

3 (3) the character and fitness of the incorporators and the  
4 members of the initial board of directors are of a nature which com-  
5 mands the confidence of the community and warrants the belief that the  
6 business of the bank will be honestly and efficiently conducted;

7 (4) the capital structure of the bank is adequate in rela-  
8 tion to the amount of the anticipated business of the bank and the  
9 safety of prospective depositors;

10 (5) the bank will have personnel with adequate knowledge  
11 and experience to conduct its business and officers that are of good  
12 character and financial responsibility;

13 (6) the addition of the bank is not detrimental to a sound  
14 banking system;

15 (7) the name is not deceptively similar to that of another  
16 bank and is not otherwise misleading;

17 (8) other facts and circumstances bearing on the bank and  
18 its relation to the community which the department considers relevant.

19 (i) No later than one year after the application for approval  
20 has been accepted the department shall approve or deny it. Within 60  
21 days after the second publication of the notice required by (f) of  
22 this section, any person opposing the application may file with the  
23 department written objections to it. When it approves or denies the  
24 application, the department shall notify the incorporators and any  
25 other person who requested in writing that he or she be notified, and,  
26 if the application is denied, the department shall state the reasons  
27 for its decision and return all copies of the articles of incorporation.

28 (j) If the department approves the application, the approval  
29 shall be endorsed on the articles of incorporation, and the articles

1 of incorporation shall be filed and a certificate of incorporation  
2 issued. The department shall retain one copy of the approved articles  
3 for its files, file one copy with the Department of Revenue and return  
4 one copy to the incorporators.

5 (k) At the time of the issuance of the certificate of incorpora-  
6 tion by the department the corporate existence begins, unless the  
7 certificate provides that it will begin on a stated day in the future  
8 in conformity with a provision of the articles of incorporation, in  
9 which event the corporate existence begins on the date stated, without  
10 further action by either the incorporators or the department. The  
11 certificate of incorporation is conclusive evidence that the state  
12 bank has been incorporated except as against the department in a  
13 proceeding instituted by it to dissolve the bank under sec. 466 of  
14 this chapter.

15 (l) A bank may amend its articles of incorporation in any manner  
16 consistent with this chapter by a vote of its stockholders representing  
17 two-thirds of the capital at any regular meeting or at a special  
18 meeting called for that purpose. A certificate of the terms of the  
19 amendments shall be executed by a majority of the directors and filed  
20 in the same manner as the articles of incorporation.

21 \* Sec. 26. AS 06.05.350 is repealed and re-enacted to read:

22 Sec. 06.05.350. CERTIFICATE OF AUTHORITY. (a) Until it receives  
23 a certificate of authority from the department to engage in the banking  
24 business, a state bank may not accept deposits or transact any business  
25 except what is incidental to its commencement of business or to obtain-  
26 ing subscriptions and payment for its shares. If, in violation of  
27 this subsection, a state bank transacts business before it receives a  
28 certificate of authority to engage in the banking business, the direc-  
29 tors and officers who wilfully authorized or participated in the

1 action are personally, jointly, and severally liable for the debts and  
2 liabilities of the bank incurred before the certificate of authority  
3 to engage in the banking business is received.

4 (b) The department shall issue a certificate of authority to  
5 engage in the banking business to a proposed state bank if, upon  
6 review of the information required by this chapter, including the  
7 following, it approves the application:

8 (1) certification by an officer to the department by affi-  
9 davit that the capital surplus and undivided profits required by the  
10 department have been fully paid in cash;

11 (2) a list of stockholders, giving the name, address, and  
12 number of shares held by each has been filed with the department;

13 (3) bylaws have been adopted and filed with the department;

14 (4) the bank has received approval of its application for  
15 insurance from the Federal Deposit Insurance Corporation;

16 (5) the bank has complied with all the requirements of this  
17 chapter and any conditions imposed by the department and has advised  
18 the department in writing of any changes that have occurred in the  
19 facts reflected in the material it filed under sec. 334 of this chapter.

20 (c) If the rights conferred by a certificate of authority are  
21 not exercised within one year from the date of its issuance, the  
22 certificate lapses.

23 \* Sec. 27. AS 06.05.355 is repealed and re-enacted to read:

24 Sec. 06.05.355. DEPOSIT INSURANCE REQUIRED. (a) A bank incor-  
25 porated under this chapter may not begin business until it is a member  
26 in the Federal Deposit Insurance Corporation.

27 (b) A bank which is a member of the Federal Deposit Insurance  
28 Corporation may not voluntarily relinquish membership without the con-  
29 sent of the department. Request for the consent must be made at least

1 180 days before the proposed date of relinquishment.

2 (c) Relinquishment of membership without giving notice and ob-  
3 taining the department's consent, involuntary loss of membership, or  
4 failure to become a member constitutes cause for the department to  
5 take possession of the bank in the manner provided by this chapter.

6 \* Sec. 28. AS 06.05 is amended by adding a new section to read:

7 Sec. 06.05.399. APPLICATION FOR CERTIFICATE OF AUTHORITY FOR  
8 BRANCH BANK OR CHANGE OF LOCATION. (a) Before operating a branch  
9 bank or changing the location of the principal office or of a branch  
10 of the bank, a state bank must apply to the department for a certificate  
11 of authority to do so. The application shall be in the form and  
12 contain the information the department requires to enable it to deter-  
13 mine whether a certificate of authority should be issued, including  
14 but not limited to the address at which the state bank or branch will  
15 operate. The application must be accompanied by a fee of \$500. The  
16 department may assess the bank for an additional amount if its actual  
17 costs in processing the application exceed the initial application  
18 fee.

19 (b) The department shall notify the state bank of its action on  
20 the application for a branch bank or for a change of location. If the  
21 application and the accompanying documents do not conform to the re-  
22 quirements of (a) of this section, the department shall return them  
23 with an explanation of the defects in them. If the department does  
24 not respond within 30 days of its receipt of the application, it shall  
25 be considered to have been accepted.

26 (c) The state bank shall publish notice of the acceptance by the  
27 department of the application for a branch bank or for approval to  
28 change location in the manner provided in sec. 345(f) and (g) of this  
29 chapter. The notice shall state the proposed location.

1 (d) Upon acceptance of an application for a certificate of  
2 authority to operate a branch bank or for approval to change location,  
3 the department shall conduct an investigation to ascertain whether

4 (1) the addition of the proposed facility in the community  
5 is not detrimental to a sound banking system;

6 (2) the population density and other economic characteris-  
7 tics of the area primarily to be served afford reasonable promise of  
8 adequate support for a branch or a relocated principal office;

9 (3) the capital structure of the state bank is adequate in  
10 relation to the anticipated business and costs of operating at the  
11 proposed location;

12 (4) the name is not deceptively similar to that of another  
13 branch or bank and is not otherwise misleading.

14 (e) No later than 150 days after the application for a certifi-  
15 cate of authority to operate a branch bank or to change location has  
16 been accepted, the department shall make a determination whether to  
17 approve the application. Within 30 days after the second publication  
18 of the notice referred to in (c) of this section, any person opposing  
19 the pending application may file written objections with the department.  
20 When it approves or denies the application, the department shall  
21 notify the bank and any other person who requested in writing that he  
22 or she be notified; and if the application is denied, the department  
23 shall state the reasons for its decision.

24 (f) The department shall issue a certificate of authority to  
25 operate a branch bank or to change location if

26 (1) all conditions imposed by the department in granting  
27 the certificate have been fulfilled;

28 (2) the requirements of this chapter are satisfied;

29 (3) approval of the application for insurance has been

1 received from the Federal Deposit Insurance Corporation.

2 (g) If the rights conferred by a certificate of authority are  
3 not exercised within one year from the date of its issuance, the  
4 certificate lapses.

5 \* Sec. 29. AS 06.05.437(a) is amended to read:

6 (a) The officers of a bank shall be elected by the board of  
7 directors. No officer may be elected for a period longer than one  
8 year. An officer may be removed by the board of directors at any time  
9 but removal shall not prejudice any rights that he may have to damages  
10 for breach of contract of employment. The president of a bank must be  
11 a member of the board of directors.

12 \* Sec. 30. AS 06.05.441(a) is amended to read:

13 (a) Before a bank dividend is declared, or the net profits for  
14 the period covered by the dividend disposed of, not less than one-  
15 fifth of these net profits shall be carried to the bank surplus account  
16 [FUND] until the surplus account [FUND] amounts to 100 per cent of the  
17 paid-in capital of the bank.

18 \* Sec. 31. AS 06.05.443(3) is amended to read:

19 (3) all assets or depreciation which the department [DIREC-  
20 TOR OF BANKS OR A DULY APPOINTED EXAMINER] may have required to be  
21 charged off;

22 \* Sec. 32. AS 06.05.450 is amended to read:

23 Sec. 06.05.450. STOCKHOLDERS LIST [ACCOUNTING REQUIREMENTS].  
24 Each bank shall keep a book in which it shall enter the name and  
25 residence of each stockholder of the bank, the class and number of  
26 shares held by each, the time when each person became a stockholder,  
27 and all transfers of stock, stating the time when made, the number of  
28 shares, and by whom transferred. [IN ALL CIVIL AND CRIMINAL ACTIONS  
29 AND PROCEEDINGS, THE BOOK IS PRIMA FACIE EVIDENCE OF THE FACTS STATED

1 IN IT.] A list of the stockholders shall be available for inspection  
2 [POSTED] in the bank office showing the number of shares held by each  
3 stockholder of record.

4 \* Sec. 33. AS 06.05.465 is repealed and re-enacted to read:

5 Sec. 06.05.465. VOLUNTARY LIQUIDATION; REQUIREMENTS FOR APPROVAL.

6 (a) With the approval fo the department, a bank may voluntarily  
7 liquidate and dissolve. This approval shall be granted if the depart-  
8 ment finds that

9 (1) the proposal to liquidate and dissolve has been approved  
10 by a vote of two-thirds of the outstanding voting stock at a meeting  
11 called for the purpose of considering that action;

12 (2) the bank is solvent and has sufficient liquid assets to  
13 promptly pay off depositors and creditors.

14 (b) Upon approval by the department of voluntary liquidation  
15 under (a) of this section a bank shall immediately cease to do business  
16 and retain only the powers necessary to effect an orderly liquidation.  
17 It shall proceed to pay its depositors and creditors and to conclude  
18 its affairs.

19 (c) Within 30 days after the approval, a notice of voluntary  
20 liquidation shall be

21 (1) mailed to the last known post office address of each  
22 depositor, creditor, person interested in funds held as a fiduciary,  
23 lessee of a safe deposit box, or bailor or property;

24 (2) posted conspicuously on the premises of the bank; and

25 (3) published as the department requires.

26 (d) The bank shall mail with the notice sent under (c)(1) of  
27 this section a statement of the amount shown on its books to be the  
28 claim of the depositor or creditor. The notice shall also demand that  
29 property held by the bank as bailee or in a safe deposit box be with-

1 drawn by the person entitled to it within 30 days. That notice shall  
2 direct that objections of depositors and creditors, if the amount  
3 claimed differs from that in the statement, be filed with the bank in  
4 accordance with the procedure described in the notice, before a  
5 specified date which is not less than 60 days from the date of first  
6 publication. The notice shall also include other information the  
7 department or the bank considers necessary.

8 (e) As soon after approval as is practicable, the bank shall  
9 resign all fiduciary positions and take whatever action may be neces-  
10 sary to settle its fiduciary accounts.

11 (f) The contents of safe deposit boxes which have not been  
12 removed within 30 days after demand shall be opened and the contents  
13 dealt with in the manner provided for boxes upon which the payment of  
14 rental is in default, and the sealed packages containing the contents  
15 and the certificates together with any other unclaimed property held  
16 by the bank as bailee and certified inventories of that property shall  
17 be transferred to the department which shall retain it for five years  
18 unless claimed by the person entitled to it prior to that time. After  
19 five years the department shall sell or otherwise appropriately  
20 dispose of the property. The proceeds of any sale shall be transferred  
21 to the state treasury and shall be deposited in the general fund.

22 (g) The approval of an application for voluntary liquidation  
23 does not impair any right of a depositor or creditor to payment in  
24 full, and all lawful claims of creditors and depositors shall promptly  
25 be paid. The unearned portion of the rental of a safe deposit box  
26 shall be returned to the lessee.

27 (h) Any assets remaining after the discharge of all obligations  
28 shall be distributed to the stockholders in accordance with their  
29 respective interests. No distribution may be made before

1 (1) all claims of depositors and creditors have been paid,  
2 or, in the case of any disputed claim, the bank has transmitted to the  
3 department a sum adequate to meet any liability that may be judicially  
4 determined;

5 (2) any unclaimed funds payable to a depositor or creditor  
6 have been transmitted to the department; and

7 (3) approval of the department.

8 (i) Any unclaimed distribution to a stockholder or a depositor  
9 shall be held until 90 days after the final distribution and then  
10 transmitted to the department. Unclaimed funds of a stockholder or a  
11 depositor shall be held by the department for five years and, unless  
12 claimed by the person entitled to them before that date, shall be  
13 transferred to the state treasury and deposited in the general fund.

14 \* Sec. 34. AS 06.05 is amended by adding a new section to read:

15 Sec. 06.05.466. INVOLUNTARY DISSOLUTION BEFORE COMMENCEMENT OF  
16 BUSINESS. (a) Before the issuance of a certificate of authority, the  
17 department may dissolve and cause the liquidation of a state bank if  
18 the department discovers, after its approval of the articles of incor-  
19 poration, a reason why the bank should not have been incorporated, or  
20 if a certificate of authority has not been issued within one year  
21 after the issuance of the certificate of incorporation or within the  
22 time the department allowed for satisfaction of conditions precedent  
23 to the issuance of a certificate of authority. After giving the bank  
24 notice and an opportunity for hearing, the department shall file a  
25 statement of facts and issue a certificate of dissolution.

26 (b) A bank dissolved under (a) of this section shall immediately  
27 proceed to liquidate under sec. 465(c) and (d) of this chapter. The  
28 department may take possession of the bank if it considers it necessary  
29 to effect a liquidation that complies with sec. 465(c) and (d) of this

1 chapter.

2 \* Sec. 35. AS 06.05.470 is repealed and re-enacted to read:

3 Sec. 06.05.470. DEPARTMENT IN POSSESSION. (a) After a hearing  
4 and upon notice prescribed by the department, the department may take  
5 possession of a bank if the department finds

6 (1) the bank's capital is impaired or it is otherwise in an  
7 unsound condition;

8 (2) the bank's business is being conducted in an unlawful  
9 or unsound manner;

10 (3) the bank is unable to continue normal operations;

11 (4) the department's examination has been obstructed or  
12 impeded;

13 (5) the bank voluntarily places its affairs and assets  
14 under the department's control;

15 (6) the bank holding corporation which controls the bank  
16 refuses to permit an examination as provided in sec. 235 of this  
17 chapter;

18 (7) the bank has lost, or received notice of the termination  
19 or suspension of, its membership in the Federal Deposit Insurance  
20 Corporation or has relinquished its membership in the Federal Deposit  
21 Insurance Corporation without the consent of the department.

22 (b) The department shall take possession under (a) of this  
23 section by posting upon the bank premises a notice stating that it is  
24 assuming possession under this chapter. Its possession is considered  
25 to commence at the time of posting of the notice. The notice shall  
26 also be filed in the superior court of the judicial district in which  
27 the bank is located. The department shall notify the Federal Reserve  
28 Bank if the bank in the possession of the department is a member of  
29 the Federal Reserve System. When the department has taken possession,

1 it is vested with the full and exclusive power of management and control  
2 including the power to assess outstanding capital stock under sec. 310  
3 of this chapter, to continue or discontinue the business, to stop or  
4 limit the payment of its obligations, to employ necessary assistants,  
5 to execute any instrument in the name of the bank, to commence, defend  
6 and conduct in its name any action or proceeding in which it may be a  
7 party, to terminate its possession by restoring the bank to its board  
8 of directors, and to reorganize or liquidate the bank in accordance  
9 with this chapter. As soon as practicable after taking possession,  
10 the department shall make an inventory of the assets and file a copy  
11 of it with the superior court.

12 (c) When the department has taken possession, there shall be a  
13 postponement, until six months after the commencement of that posses-  
14 sion, of the date upon which any period of limitation fixed by a  
15 statute or agreement would otherwise expire on a claim or right of  
16 action of the bank, or upon which an appeal must be taken or a pleading  
17 or other document must be filed by the bank in any pending action or  
18 proceeding.

19 (d) If, in the opinion of the department, an emergency exists  
20 which will result in serious losses to the depositors, it may take  
21 possession of a bank without prior hearing. Within 10 days after the  
22 department has taken possession, any interested party may file with it  
23 an application for an order vacating the possession. The department  
24 shall grant the application if it finds that its action was unautho-  
25 rized under this chapter.

26 (e) If the department decides to liquidate a bank, it shall give  
27 notice to the directors, stockholders, depositors, and creditors as it  
28 may prescribe. Any objection to the liquidation shall be filed with  
29 the department within 15 days after that notice has been mailed. The

1 department may proceed to liquidate the bank within 15 days after  
2 notice has been mailed.

3 (f) If the department decides to reorganize a bank or, after  
4 staying the liquidation, orders a reorganization, the department,  
5 after according a hearing to all interested parties, shall enter an  
6 order proposing a reorganization plan. A copy of the plan shall be  
7 sent to each depositor and creditor who will not receive payment of  
8 his claim in full under the plan together with notice that unless  
9 within 30 days the plan is disapproved in writing by persons holding  
10 one-third or more of the aggregate amount of such claims the department  
11 will proceed to effect the reorganization.

12 (g) No judgment, lien, or attachment may be executed upon any  
13 asset of the bank while it is in possession of the department. Upon  
14 the election of the department in connection with a liquidation or  
15 reorganization,

16 (1) any lien or attachment, other than an attorney's or  
17 mechanic's lien, obtained upon any asset of the bank during the de-  
18 partment's possession or within four months before commencement of  
19 that possession shall be vacated except liens created by the department  
20 while in possession; and

21 (2) any transfer of an asset of the bank made after or in  
22 contemplation of its insolvency with intent to effect a preference is  
23 void.

24 (h) The department may borrow money in the name of the bank in  
25 its possession and may pledge assets of the bank as security for the  
26 loan.

27 (i) All necessary and reasonable expenses resulting from the  
28 department's possession of a bank and of its reorganization or liqui-  
29 dation shall be paid from the assets of the bank.

1 (j) A plan of reorganization may not be prescribed under this  
2 chapter unless, in the opinion of the department,

3 (1) the plan is fair to all classes of depositors, credi-  
4 tors, and stockholders;

5 (2) the face amount of the interest accorded to any class  
6 of depositors, creditors, or stockholders under the plan does not  
7 exceed the value of the assets upon the liquidation less the full  
8 amount of the claims of all prior classes, subject, however, to any  
9 fair adjustment for new capital that any class will pay under the  
10 plan;

11 (3) the plan provides for the issuance of common stock in  
12 an amount that will provide an adequate ratio to deposits;

13 (4) any exchange of new common stock for obligations or  
14 stock of the bank will be effected in inverse order of the priorities  
15 in liquidation of the classes that will retain an interest in the bank  
16 and upon terms that fairly adjust any change in the relative interest  
17 of the respective classes that will be produced by the exchange;

18 (5) the plan assures the removal of any director, officer,  
19 or employee responsible for any unsound or unlawful action or the  
20 existence of any unsound condition;

21 (6) any merger or consolidation provided by the plan con-  
22 forms to the requirements of this chapter.

23 (k) When in the course of reorganization supervening conditions  
24 render a plan of reorganization unfair or its execution impractical,  
25 the department may modify the plan or liquidate the bank. This action  
26 shall be taken by order upon reasonable notice.

27 (l) In liquidating a bank, the department may exercise any power  
28 incidental to liquidating a bank, but it may not, without the approval  
29 of the superior court,

1 (1) sell any asset of the bank having an appraised value in  
2 excess of \$10,000;

3 (2) compromise or release any claim which exceeds \$10,000,  
4 exclusive of interest;

5 (3) make payment on a claim, other than a claim upon an  
6 obligation incurred by the department, before preparing and filing a  
7 schedule of its determinations in accordance with (q) of this section.

8 (m) Within six months after the commencement of involuntary  
9 liquidation, the department may terminate any executory contract for  
10 services or advertising to which a bank is a party or any obligation  
11 of a bank as a lessee. A lessor who receives 60 days notice of the  
12 department's decision to terminate a lease has no claim for rent,  
13 other than rent accrued to the date of termination, and has no claim  
14 for damages due to the termination.

15 (n) As soon after the commencement of involuntary liquidation as  
16 is practicable, the department shall take the necessary steps to  
17 terminate all fiduciary positions held by a bank and take action  
18 necessary to surrender all property held by the bank as a fiduciary  
19 and to settle its fiduciary accounts.

20 (o) As soon after commencement of liquidation by the department  
21 as practicable, it shall proceed as in sec. 465(c) and (d) of this  
22 chapter relating to voluntary liquidation by banks, except that no  
23 notice need be sent relating to fiduciary accounts.

24 (p) The contents of safe deposit boxes in banks being liquidated  
25 by the department shall be disposed of by the department as in sec.  
26 465(f) of this chapter.

27 (q) Within six months after the last day specified in the notice  
28 for the filing of claims, or within a longer period if allowed by the  
29 superior court, the department shall

- 1 (1) reject any claim that it determines to be invalid;
- 2 (2) determine the amount, if any, owing to each known
- 3 creditor or depositor and the priority class of his claim under this
- 4 chapter;
- 5 (3) prepare a schedule of its determinations for filing in
- 6 the superior court;
- 7 (4) provide for publication in newspapers once a week for
- 8 three successive weeks, a notice of the times and the places the
- 9 schedule of determinations will be available for inspection and the
- 10 date, no sooner than 30 days after the first publication, when the
- 11 department will file its schedule in court.

12 (r) Within 30 days after the filing of the department's schedule

13 under (q)(3) of this section, any creditor, depositor, or stockholder

14 may file with the superior court an objection to any determination

15 made. Objections filed shall be heard and determined by the court,

16 upon notice to the department and interested claimants as the court

17 may prescribe. If the objection is sustained, the court shall direct

18 an appropriate modification of the schedule.

19 (s) After filing its schedule, the department may make partial

20 distribution to the holders of claims which are undisputed or have

21 been allowed by the court if an adequate reserve is established for

22 the payment of disputed claims. As soon as it is practicable after

23 the determination of all objections, the department shall make final

24 distribution.

25 (t) The following claims have priority in liquidation proceed-

26 ings, in the order listed:

- 27 (1) obligations incurred by the department;
- 28 (2) wages and salaries of officers and employees earned
- 29 during the three-month period preceding the department's possession in

1 an amount not exceeding \$3,000 for each person;

2 (3) fees and assessments due to the department;

3 (4) deposits to the extent of \$1,000 for each depositor.

4 (u) After the payment of all other claims with interest at the  
5 legal rate applicable to court judgments, the department shall pay  
6 claims otherwise valid which were not filed within the time prescribed.

7 (v) If the sum available for any class of creditors is insuffi-  
8 cient to provide payment in full, that sum shall be distributed pro  
9 rata to the claimants in the class.

10 (w) When the department has liquidated a bank, any assets remain-  
11 ing after all claims have been paid shall be distributed to the stock-  
12 holders in accordance with their respective interests.

13 (x) Unclaimed funds remaining after the completion of the liqui-  
14 dation by the department shall be retained for five years by it unless  
15 sooner claimed by the owner. After that, the remaining sum shall be  
16 transferred to the general fund.

17 (y) When the assets have been distributed in accordance with  
18 this chapter, the department shall file an account with the superior  
19 court. Upon approval of the account, the department is relieved of  
20 liability in connection with the liquidation and the court shall  
21 cancel the certificate of authority and enter an order of dissolution.  
22 Upon the filing of the order, the department shall issue a certificate  
23 of dissolution of the corporation under the Alaska Business Corporation  
24 Act (AS 10.05).

25 (z) The department may appoint the Federal Deposit Insurance  
26 Corporation as receiver for a bank of which it has taken possession  
27 and whose deposits are insured by that corporation. Upon filing with  
28 the court a certificate indicating the acceptance by the Federal  
29 Deposit Insurance Corporation, the possession of and title to all the

1 assets, business, and property are considered transferred to that  
2 corporation. The department is then relieved from all responsibility  
3 and liability in respect to the liquidation of the bank. The Federal  
4 Deposit Insurance Corporation may liquidate, reorganize, merge or  
5 consolidate the bank in the manner permitted by the laws of the United  
6 States or by this chapter, possessing all rights, powers, duties and  
7 obligations of the department.

8 \* Sec. 36. AS 06.05.505 is amended to read:

9 Sec. 06.05.505. UNLAWFUL FAILURE TO TRANSMIT REPORTS REQUIRED BY  
10 DEPARTMENT. Every bank which fails to make, transmit and publish any  
11 report required under sec. 45 of this chapter is subject to a penalty  
12 of \$100 [\$10] a day for each day's delay after the period specified in  
13 that section. Any bank is considered to have transmitted a report to  
14 the department on the day when the bank has deposited it in a United  
15 States post office in the state, properly addressed to the department,  
16 postage prepaid, and registered if the post office is a registry  
17 office.

18 \* Sec. 37. AS 06.05.520 is amended to read:

19 Sec. 06.05.520. PENALTY. Any person who violates any provision  
20 of this chapter for which no specific penalty is provided is guilty of  
21 a misdemeanor, and upon conviction is punishable by a fine of not more  
22 than \$5,000, or by imprisonment for not more than one year, or by  
23 both. In case of conviction of [VIOLATION BY] a corporation for  
24 violation of this chapter, the corporation is punishable by a fine of  
25 not more than \$20,000 [\$5,000].

26 \* Sec. 38. AS 06.05.540(9) is repealed and re-enacted to read:

27 (9) "domestic bank holding company" means a domestic corpora-  
28 tion that is organized under AS 10.05 and that has control over a bank  
29 or another domestic bank holding company through one of the following:

1 (A) the company directly or indirectly or acting  
2 through one or more other persons owns, controls, or has power to  
3 vote 25 per cent or more of any class of voting securities of the  
4 bank or company;

5 (B) the company controls in any manner the election of  
6 a majority of the directors or trustees of the bank or company;  
7 or

8 (C) the department determines, after notice and oppor-  
9 tunity for hearing, that the company directly or indirectly exer-  
10 cises a controlling influence over the management of policies of  
11 the bank or company.

12 \* Sec. 39. AS 06.05.540 is amended by adding new paragraphs to read:

13 (17) "undivided profits" means the accumulated, undistri-  
14 buted net profit of a bank, including any residue after

15 (A) provision for payment of taxes and expenses of  
16 operations,

17 (B) transfers to reserves allocated to a particular  
18 asset or class of assets,

19 (C) losses estimated or sustained on a particular  
20 asset or class of assets in excess of the amount of reserves  
21 allocated for it,

22 (D) transfers to surplus and capital,

23 (E) amounts declared as dividends to stockholders;

24 (18) "company" means any bank, corporation, partnership,  
25 joint stock company, business trust, association or similar organiza-  
26 tion, domestic or foreign.

27 \* Sec. 40. AS 06.05.315, 06.05.330, 06.05.335, 06.05.365, 06.05.370,  
28 06.05.375, 06.05.400 - 06.05.425, 06.05.455, 06.05.460, and 06.05.475 are  
29 repealed.