

HB

273

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House Judiciary:

4-27-88

Adopted

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 273 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to financial institutions; and
7 providing for an effective date."

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

9 * Section 1. AS 06.05.470(t) is amended to read:

10 (t) The following claims have priority in liquidation proceed-
11 ings, in the order listed:

12 (1) obligations incurred by the department;

13 (2) wages and salaries of officers and employees earned
14 during the three-month period preceding the department's possession in
15 an amount not exceeding \$3,000 for each person;

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

17 (4) deposits [TO THE EXTENT OF \$1,000 FOR EACH DEPOSITOR].

18 * Sec. 2. AS 06.30.065 is amended to read:

19 Sec. 06.30.065. CORPORATE NAME. The name of every association
20 shall include either the words "Savings Association," "Savings Bank,"
21 or "Savings and Loan Association." These words shall be preceded by
22 an appropriate descriptive word or words approved by the commissioner.
23 An ordinal number may not be used as a single descriptive word preced-
24 ing the words "Savings Association," "Savings Bank," or "Savings and
25 Loan Association," unless the words are followed by the words "of
26," the blank being filled by the name of the city in which
27 or near which the association has its home office. An ordinal number
28 may be used together with another descriptive word, preceding the
29 words "Savings Association," "Savings Bank," or "Savings and Loan

1 Association," provided the other descriptive word has not been used in
2 the corporate name of any other association in the state, in which
3 case the suffix mentioned above is not required to be used. An ordi-
4 nal number may be used, together with another descriptive word, pre-
5 ceding the words "Savings Association" or "Savings and Loan Associa-
6 tion," even when the other descriptive word has been used in the
7 corporate name of an association in the state, provided the suffix "of
8, " as provided above, is also used. The suffix provided
9 above may be used in any corporate name. The use of the words "Na-
10 tional," "Federal," "United States," "Insured," "Guaranteed," or any
11 form of these words, separately or in combination with other words or
12 syllables, is prohibited as part of the corporate name of an associa-
13 tion. A [NO] certificate of incorporation of a proposed association
14 having the same name as a corporation authorized to do business under
15 the laws of this state or a name so nearly resembling it as to be
16 calculated to deceive may not [SHALL] be issued by the commissioner,
17 except to an association formed by the reincorporation, reorganiza-
18 tion, or consolidation of other associations, or upon the sale of the
19 property or franchise of an association.

20 * Sec. 3. AS 06.30.070 is amended to read:

21 Sec. 06.30.070. PROHIBITED USE OF NAMES AND TITLE. Unless
22 authorized to do business in the state under this chapter and actually
23 engaged in carrying on a savings association, a [NO] person may not
24 [SHALL] do business under a name or title that [WHICH] contains the
25 terms "savings association," "savings bank," "savings and loan associ-
26 ation," "building and loan association," "building association," or
27 any combination employing either or both of the words "building" or
28 "loan" with one or more of the words "saving," "savings," "thrift" or
29 words of similar import, or any combination employing one or more of

1 the words "saving," "savings," "thrift" or words of similar import
2 with one or more of the words "association," "bank," "institution,"
3 "society," "company," "corporation" or words of similar import, or use
4 a name or sign or circulate or use a letterhead, billhead, circular or
5 paper whatever, or advertise or represent in any manner that [WHICH]
6 indicates or reasonably implies that the [HIS] business is the charac-
7 ter or kind of business carried on or transacted by an association or
8 that [WHICH] is calculated to lead a person to believe that the [HIS]
9 business is that of an association. Upon application by the commis-
10 sioner or an association, a court of competent jurisdiction may issue
11 an injunction to restrain a person from violating or continuing to
12 violate this section.

13 * Sec. 4. AS 06.05.470(e) is repealed.

14 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).
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STATE OF ALASKA

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES & CORPORATIONS

STEVE COWPER, GOVERNOR

P. O. BOX D
JUNEAU, ALASKA 99811-0800

Banking & Securities (907) 465-2521
Corporation Section (907) 465-2530

April 28, 1987

Honorable John Sund
House of Representatives
P.O. Box V
Juneau, AK 99811

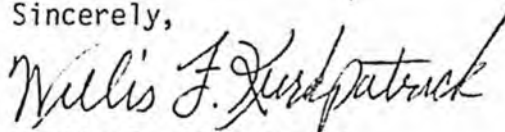
Dear Representative Sund:

The Federal Deposit Insurance Corporation (FDIC) must follow state law when appointed receiver of state chartered financial institutions. The FDIC, in reviewing these provisions of law, found two areas that would have an adverse effect on depositors and consumers of banks in control of the FDIC.

First, under present law, uninsured depositors would have only limited preference up to \$1,000 over the insured \$100,000. It is the depositors' base that established the liability side of the bank's financial structure and must be given preference.

Second, a prior notification of an impending action to close a bank would create chaos and destroy orderly transfer to new investors or purchasers of banks.

Sincerely,



Willis F. Kirkpatrick
Director

WFK/LPC/ss0595Z
042887a

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 14, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to include the title "savings bank" as an appropriate designation for a financial institution organized under AS 06.30 (Alaska Savings Association Act). This bill provides a cure for an inequality placed upon state-chartered savings and loan associations as a result of deregulation.

Federally chartered savings and loan associations may apply under federal law to receive the designation "savings bank" in their name after being granted certain additional banking powers. A state-chartered savings and loan association has recently been granted authority to exercise similar powers, but current Alaska law does not allow a name to reflect this new authority and resulting increased banking services.

This bill simply provides that those financial institutions organized under AS 06.30 which have expanded authority in banking may apply for the use of the name "savings bank" in their title, not only to better reflect their authorized service charter, but also to maintain parity with federally chartered financial institutions.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Steve Cowper".

Steve Cowper
Governor

(6) the bank holding corporation which controls the bank refuses to permit an examination as provided in AS 06.05.235;

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

(b) The department shall take possession under (a) of this section by posting upon the bank premises a notice stating that it is assuming possession under this chapter. Its possession is considered to commence at the time of posting of the notice. The notice shall also be filed in the superior court of the judicial district in which the bank is located. The department shall notify the Federal Reserve Bank if the bank in the possession of the department is a member of the Federal Reserve System. When the department has taken possession, it is vested with the full and exclusive power of management and control, including the power to assess outstanding capital stock under AS 06.05.310, to continue or discontinue the business, to stop or limit the payment of its obligations, to employ necessary assistants, to execute any instrument in the name of the bank, to commence, defend and conduct in its name any action or proceeding in which it may be a party, to terminate its possession by restoring the bank to its board of directors, and to reorganize or liquidate the bank in accordance with this chapter. As soon as practicable after taking possession, the department shall make an inventory of the assets and file a copy of it with the superior court.

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

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

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

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____
 Revision Date: _____
 Title: Relating to reorganization
of Financial Institutions
 Sponsor: RULES
 Requestor: Governor

Bill Version: HB 273
 Publish Date: HOUSE 4/15/87

Agency Affected: Comm. & Econ. Dev.
 BRU: Banking
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Willis F. Kirpatrick, Director
 Division: Banking, Securities and Corporations

Phone: 465-2541
 Date: April 14, 1987

Approved by Commissioner: J. Anthony Smith, Commissioner
 Agency: Department of Commerce and Economic Development

Date: April 14, 1987

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