

CHAPTER 30.

AN ACT

[H. B. 59.]

To amend Section 17, Chapter 48, Session Laws of Alaska, 1913, of an Act, entitled "An Act to provide for the formation of banking corporations, and to regulate the business of banking in the Territory of Alaska, and securing supervision thereof; for the appointment of a Territorial Banking Board, defining its duties and fixing penalties for the violation of this Act," approved April 29, 1913.

Be It Enacted by the Legislature of the Territory of Alaska:

Section 1. That Section 17, Chapter 48, Session Laws of Alaska, 1913, entitled "An Act to provide for the formation of banking corporations, and to regulate the business of banking in the Territory of Alaska, and securing supervision thereof; for the appointment of a Territorial Banking Board, defining its duties and fixing penalties for the violation of this Act", approved April 29, 1913, be amended and Sections 17-a and 17-b be added thereto, so as to read as follows:

Sec. 17, Ch. 48,
Session Laws,
1913, amended
and Secs. 17-a
and 17-b added
thereto

Section 17. It shall be unlawful for the officers or employees, or any officer or employee, of any bank in the Territory of Alaska to loan funds of such bank in an amount exceeding one thousand dollars to any one person, firm or corporation, without first having obtained the approval of such loan from the Board of Directors of such bank, or a committee of said Board, consisting of not less than three members thereof; and it shall be unlawful for any bank in the Territory of Alaska to loan to any one person, firm or corporation a sum exceeding fifty per cent of its capital stock and surplus. But the discount of bills of exchange drawn in good faith against actual existing values, or loans upon gold, gold dust, bullion, cannery products, or other produce in transit, or upon warehouse receipts as collateral security, and the discount of commercial or business paper actually owned by a person negotiating the same, shall not be considered as money borrowed.

Restrictions
on loans to one
person

Exemptions

Officers and directors liable to bank for violations

Section 17-a. Any loan made in violation of the provisions of this section shall make the officers and directors of such bank jointly and severally liable to the bank for such loan, which liability shall be in addition to other liabilities to the bank created by this act. Provided, that any bank now having a loan or loans outstanding any one of which exceeds fifty per cent of its capital stock, and surplus shall be allowed one year from and after the approval of this Act in which to reduce such loan or loans to the limit herein specified.

Proviso—

No preference to be given to any creditor by pledging assets of bank as collateral security—Exemptions

Section 17-b. No bank, banker or bank officer shall give preference to any depositor or creditor by pledging the assets of the bank as collateral security, except that such security may be given to the Treasurer of the Territory to secure deposits of the Territorial funds in lieu of the indemnity bond required by Section 7 of Chapter 77 of the Session Laws of 1913, at the discretion of the Treasurer; provided, that any bank may borrow money for temporary purposes not to exceed in amount fifty per cent of its paid up capital, and may pledge the assets of the bank, not exceeding twenty per cent in excess of the amount borrowed, as collateral security therefor; provided further, that whenever it shall appear that a bank is borrowing habitually for the purpose of re-lending, the Banking Board may require such bank to pay off such borrowed money. Nothing herein shall prevent any bank from re-discounting in good faith and endorsing any of its negotiable notes. It shall be unlawful for any bank to issue its certificate of deposit for the purpose of borrowing money. And no creditor of any bank shall be allowed to obtain any preference in the payment of, or security for his debt, by attachment, garnishment or other legal proceedings; and all such attachments, garnishments and judicial proceedings levied or taken against a bank shall be held and construed to be for the benefit of all creditors alike.

* Any pledge, assignment or transfer of any of the

assets of a bank in violation of this section shall be absolutely null and void as against the creditors of said bank.

Approved, April 28, 1915.

CHAPTER 31.

AN ACT

[H. B. 60.]

To amend Section 27, Chapter 48, Sessions Laws of Alaska, 1913, of an Act, entitled "An Act to provide for the formation of banking corporations, and to regulate the business of banking in the Territory of Alaska, and securing supervision thereof; for the appointment of a Territorial Banking Board, defining its duties and fixing penalties for the violation of this Act," approved April 29, 1913.

Be It Enacted by the Legislature of the Territory of Alaska:

Section 1. That Section 27, Chapter 48, Session Laws of Alaska, 1913, of an Act, entitled "An Act to provide for the formation of banking corporations, and to regulate the business of banking in the Territory of Alaska, and securing supervision thereof; for the appointment of a Territorial Banking Board, defining its duties and fixing penalties for the violation of this Act", approved April 29, 1913, be amended so as to read as follows:

Section 27. Every bank doing business in this Territory shall have on hand at all times in available funds consisting of money, gold dust, gold bullion, or amounts due from good and solvent banks located in Alaska, or in depositories located in commercial centers in the United States, not less than twenty per cent of its demand liabilities. Every such bank located within the Territory shall make at least four reports each year to the Territorial Banking Board on days designated by it, and according to forms to be prescribed by it, verified in the case of corporations by an oath of the president or vice president, cashier and by at least two directors; and in

Sec. 27, Ch. 48,
Session Laws,
1913, amended

Twenty per
cent. of de-
mand liabili-
ties on hand

Reports to
Banking Board