

CHAPTER 129

AN ACT

[H. B. 107]

To regulate the banking business; creating a Territorial Banking Board, defining its powers and duties; providing for the organization, conversion, dissolution, reorganization and liquidation of banks; prohibiting certain practices, providing criminal penalties and injunctive relief; and repealing Section 34-1-1 through 34-1-37, ACLA 1949, Section 34-3-14 through 34-3-16 ACLA 1949, and Chapters 22, 40 and 130, S.L.A. 1949, and Sections 34-2-1 through 34-2-6 ACLA 1949, and declaring an emergency.

Be it enacted by the Legislature of the Territory of Alaska:

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MISCELLANEOUS

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ARTICLE I. SHORT TITLE, DEFINITIONS AND MISCELLANEOUS

SECTION 1.101 SHORT TITLE.

This Act may be cited as the "Alaska Banking Code".

SECTION 1.102 "BANK" "TERRITORIAL BANK".

As used in this Act

"Bank" means any person doing a banking business whether subject to the laws of this or any other jurisdiction.

"Territorial Bank" means any bank chartered by this Territory.

SECTION 1.103 GENERAL DEFINITIONS.

Definitions.

In this Act, unless the context otherwise requires,

"Action" in the sense of a judicial proceeding includes recoupment, counterclaim, set-off, suit in equity and any other proceedings in which rights are determined.

"Banking" means the negotiation for, and the discounting of promissory notes, drafts, bills of exchange and other evidences of indebtedness; receiving deposits,

selling and buying exchange, coin and bullion, and loaning money on personal, real and other security, and other kindred financial operations.

“Board” when used with an initial capital letter means the Banking Board of the Territory of Alaska.

“Branch bank” means an office or agency other than the bank’s principal place of business, kept for the purpose of deposit and discount.

“Community” means a city, town or unincorporated village in this Territory, or where not within any of the foregoing, a trade area in this Territory.

“Court” means a court of competent jurisdiction.

“Executive officer” when referring to a bank, means any person designated as such in the by-laws and includes, whether or not so designated, the president, any vice-president, the treasurer, the cashier, the comptroller and the secretary, or any person who performs the duties appropriate to those offices.

“Fiduciary” means trustee, agent, executor, administrator, committee, guardian or conservator for a minor or other incompetent person, receiver, trustee in bankruptcy, assignee for creditors or any holder of a similar position of trust.

“Good faith” means honesty in fact in the transaction and some reasonable ground for belief that the transaction is rightful or authorized.

“Item” means any instrument for the payment of money even though not negotiable, but does not include money.

"Officer" when referring to a bank means any person designated as such in the by-laws and includes, whether or not so designated, any executive officer, the chairman of the board of directors, the chairman of the executive committee, and any trust officer, assistant vice-president, assistant treasurer, assistant cashier, assistant comptroller, or any person who performs the duties appropriate to those offices.

"Person" means an individual, corporation, partnership, joint venture, trust estate, unincorporated association or body politic, or agency thereof.

"Reason to know" means that upon the information available a person of ordinary intelligence in the particular business, or of the superior intelligence or experience which the person in question may have, would infer that the fact in question exists or that there is such a substantial chance of its existence that, if exercising reasonable care with reference to the matter in question, conduct would be predicated upon the assumption of its possible existence.

SECTION 1.104 EFFECT ON EXISTING BANKS

The charters of territorial banks existing at the time of the adoption of this Act shall continue in full force and effect, but all territorial banks and, to the extent applicable, all banks, shall thereafter be operated in accordance with the provisions of this Act, and any territorial bank, by filing an application for an amendment of its charter or for a merger, consolidation or sale of all, or substantially all, of its assets or the assets of any department under this Act and its charter shall thereafter be subject to this Act.

Application
to present
banks.

SECTION 1.105 SEPARABILITY

If any provision, clause or phrase of this Act or the

Separability
clause.

application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end provisions of this Act are declared to be separable.

SECTION 1.106 REPEALER

Repeals.

A. The following acts and all other acts and parts of acts inconsistent herewith are hereby repealed:

Sections 34-1-1 through 34-1-37, ACLA 1949, Sections 34-3-14 through 34-3-16 ACLA 1949, and Chapters 22, 40 and 130, S.L.A. 1949 and Sections 34-2-1 through 34-2-6, ACLA 1949.

B. This Act being a general act intended as a unified coverage of its subject matter, no part of it shall be deemed to be impliedly repealed by subsequent legislation not specifically repealing it if such construction can be avoided.

C. No law of this Territory prescribing or limiting interest rates upon loans shall be deemed to apply to loans made pursuant to the provisions of Section 3.165 of this Act.

ARTICLE II. TERRITORIAL BANKING BOARD

SECTION 2.101 ESTABLISHMENT; APPOINTMENT OF MEMBERS OF THE BOARD.

**Board
created.**

A. There is hereby established a Territorial Banking Board of five members. The Governor, the Auditor and the Territorial Treasurer, ex-officio, shall be members of the Board. One other member of the Board shall be appointed by the Governor from a list of five nominees

who shall be residents of Alaska and who are officers of banks engaged in business in Alaska, the names of which nominees shall have been proposed to the Governor by the Board of Directors of the Alaska Bankers Association. Such member shall be appointed for a term of four years subject to approval by a majority of all of the members of the Senate and House of Representatives of the Legislature in joint session assembled, except that the first member so appointed under this Act shall be appointed to serve until April 1, 1955, or until his successor is appointed and qualified.

B. The remaining member of the Board shall be appointed by the Governor from a list of five nominees who shall be residents of Alaska and who shall not be officers, employees, directors or stockholders of any bank, finance company or trust company, the names of which nominees shall be proposed to the Governor by the Board of Directors of the Alaska Bankers Association. Such member shall be appointed for a term of four years, subject to approval by a majority of all members of the Senate and House of Representatives of the Legislature in joint session assembled, except that the first member so appointed under this Act shall be appointed to serve until April 1, 1953, or until his successor is appointed and qualified.

Non
banking
member.

C. All succeeding appointments, except those to fill unexpired terms, shall be for a term expiring on April 1 of the fourth year following the date of appointment, and the names of the appointees to succeed members whose terms of office expire on the first day of April following, shall be submitted to the Legislature for consideration within five days after the opening of the biennial session of the Legislature; provided, that when an appointment is made at a time when the Legislature is not in session, the appointment shall be submitted to the Legislature for approval within five days after the

Succeeding
appointments.

opening of the first session of the Legislature after such appointment, and such appointee may discharge the functions of the office until the Legislature either disapproves or fails to approve the appointment. If any such appointment be disapproved or fails to secure approval by the Legislature, another name shall be submitted by the Governor within three days, preference being given to any remaining nominees furnished by the Alaska Bankers Association.

Bankers
Association
to submit
nominees.

D. Promptly upon the passage of this Act, the Governor shall request, by means of a telegram addressed to the Secretary of the Alaska Bankers Association at his last known address, a list of five nominees for each of the two appointive positions herein provided for. If such lists are delivered to the Governor's office in writing within fourteen days after the date of the sending of such telegram, the position shall be promptly filled from such nominees. If no such lists are delivered to the Governor's office within such period of time, he shall nevertheless proceed promptly to appoint members to fill such positions.

E. On or before January 10th of the year in which any appointive member's term of office expires, the Board of Directors of the Alaska Bankers Association shall submit a list of nominees as provided above, to the Governor's office. If such lists are not furnished by such date, the Governor, nevertheless, shall proceed promptly to appoint a member to fill such position, upon the expiration of the term of the incumbent.

SECTION 2.102 FILLING VACANCIES IN THE BOARD

Vacancies.

Vacancies in the appointive members of the Banking Board shall be filled by the Governor immediately upon notice by the Board that a vacancy exists. Prior to so

filling the vacancy, the Governor shall request, by means of a telegram addressed to the Secretary of the Alaska Bankers Association, at his last known address, a list of five nominees to be furnished in the manner provided above. If such list is delivered to the Governor's office in writing within fourteen days from the date of the sending of such telegram, the vacancy shall be filled from such nominees. If no such list is delivered to the Governor's office within such period of time, he shall nevertheless proceed promptly to appoint a member to fill such vacancy.

SECTION 2.103 BOARD MEETINGS; COMPENSATION

A. The Board shall meet at least semi-annually. The Governor may call additional meetings of the Board upon at least three days' notice and shall do so upon the request of two members. ^{Meetings.}

B. A majority of the Board shall constitute a quorum and action taken by a majority of those present at any meeting at which a quorum is present, shall be the action of the Board. No member shall participate in a proceeding before the Board to which any corporation, partnership or unincorporated association of which he is or was at any time in the preceding twelve months a director, officer, partner, employee, member or stockholder, is a party. A member may disqualify himself from participating in a proceeding for any other cause deemed to be sufficient. ^{Quorum.}

C. Members of the Board shall have access to any record of the Board.

D. Each appointive member, in lieu of reimbursement for expenses incident to his duties, shall receive \$15.00 for each day or portion thereof spent in attending ^{Expenses of members.}

meetings of the Board, together with mileage at the legislative rate from and to his residence and the place of meeting or the place of performance of the duty, for each meeting or trip.

E. The Board may employ such clerical, technical and legal assistance as it may require.

SECTION 2.104 POWERS OF BOARD

A. In addition to other powers conferred by this Act, the Board shall have power to:

Powers
of
Board.

(1) Regulate its own procedure and practice.

(2) Implement by regulation any provisions of this Act, and to define any term not defined in this Act; provided, that no such rules and regulations shall in any way conflict with any of the provisions of law.

(3) Restrict the withdrawal of deposits from one or more or all territorial banks where the Board finds that extraordinary circumstances make such restriction necessary for the proper protection of depositors in the affected institution.

(4) Authorize a territorial bank until the close of the next regular session of the Legislature:

(a) To participate in a public agency hereafter created under the laws of this Territory or of the United States, the purpose of which is to afford advantages or safeguards to banks or to depositors and to comply with all requirements and conditions imposed upon such participants.

(b) To engage in any banking activity in which banks subject to the jurisdiction of the federal govern-

ment may hereafter be authorized by federal legislation to engage.

(5) Order any person to cease violating a provision of this Act or a lawful regulation issued thereunder or to cease engaging in any unsound banking practice.

B. Notice and hearing shall be provided in advance of any action taken by the Board except the formulation of regulations of general application. In cases involving extraordinary circumstances requiring immediate action the Board may take such action but shall promptly afford a subsequent hearing upon application to rescind the action taken. ^{Notice and hearing}

C. Members of the Board shall have access to any record of the Board.

D. In addition to other powers conferred by this Act, the Board shall have power to require a territorial bank to: ^{Authority over territorial banks}

(1) Maintain its accounts in accordance with such regulations as it may prescribe, having regard to the size of the organization.

(2) Observe methods and standards which it may prescribe for determining the value of various types of assets.

(3) Charge off the whole or part of an asset which at the time of the Board's action could not lawfully be acquired.

(4) Write down an asset to its market value.

(5) Record liens and other interests in property

(6) Obtain a financial statement from a prospective borrower to the extent that the bank can do so.

(7) Obtain insurance against damage to real estate taken as security.

(8) Search, or obtain insurance of, the title to real estate taken as security.

(9) Maintain adequate insurance against such other risks as the Board may determine to be necessary and appropriate for the protection of depositors and the public.

E. No person shall be subjected to any civil or criminal liability for any act or omission to act in good faith in reliance upon a subsisting order, regulation or definition of the Board notwithstanding a subsequent decision by a court invalidating the order, regulation or definition.

Exemption
from
liability.

F. Until and unless otherwise provided by law, the Banking Board shall be authorized to employ all necessary legal counsel to conduct all actions, suits or proceedings under the provisions of this act, and all civil actions, suits and proceedings begun under this act shall be begun and carried on in behalf and in the name of the Territory of Alaska.

Employment
of counsel.

G. If the directors of a bank fail or refuse to replace an impairment of its capital within the ninety day period as set forth in Section 3.203 of this act, after demand has been made for such replacement by the Board, the Board shall take possession of such bank in the manner provided by law in case of insolvency.

When
Board
may take
over bank.

H. The Board shall have the power to subpoena witnesses, compel their attendance, require the production

Authority
over
witnesses.

of evidence, administer an oath and examine any person under oath in connection with any subject relating to duty imposed upon or a power vested in the Board. These powers shall be enforced by the District Court. An individual who claims privilege against self incrimination may nevertheless be compelled to testify, but he shall not be prosecuted or subjected to a penalty or forfeiture on account of anything concerning which he has testified under such compulsion, except for perjury committed in his testimony. Removal from an office or employment with a territorial bank is not the imposition of a penalty or forfeiture.

SECTION 2.105 COURT REVIEW

A. Any person aggrieved and directly affected by an order of the Board may appeal to the United States District Court of the judicial division in which he is a resident, within 30 days after issuance of the order. The filing of a petition for review shall not stay enforcement of an order, but the Court may order a stay upon such terms as it deems proper.

Court
review.

B. The Court may affirm the order of the Board, may direct the Board to take action unlawfully withheld, or may reverse or modify the order of the Board if it:

(a) Was issued pursuant to an unconstitutional statutory provision.

(b) Was in excess of statutory authority.

(c) Was issued upon unlawful procedure.

(d) Is not supported by substantial evidence in the record. Due weight shall be accorded the experience, technical competence and specialized knowledge of the Board as well as the discretionary authority conferred

upon it.

SECTION 2.106 EXAMINATIONS

Examinations.

A. The Board shall select one of its members or a competent person to make a detailed examination of the banks coming under this chapter and the result of his examination and findings thereon shall be transmitted to the Board.

B. A copy of the report of examination shall be sent to the organization examined.

C. Any irregularities in the conduct of the bank's business and any violation of law, shall be promptly called to the attention of the directors of such bank by the Board.

D. All banks coming under the provision of this act shall be subject to at least one examination a year.

SECTION 2.107 EXAMINER'S FEES

Examiner's
fee.

Such person so examining such bank shall be paid therefor a reasonable fee fixed by the Board which shall not exceed Fifty Dollars (\$50.00) per day; provided, that any bank, the deposits of which are insured by the Federal Deposit Insurance Corporation or any agency of the United States which insures bank deposits, in whole or in part, may, in the discretion of the Board, be relieved of such examinations, and of the fees thereby incurred. The amount of the fee to which an examiner shall be entitled shall be paid by the bank so examined to the Board immediately upon the bank being advised of the amount thereof.

Oath of
examiner.

SECTION 2.108 EXAMINER'S OATH

The person appointed for and making such examina-

tion shall take and subscribe an oath before a person empowered to take the same that he will honestly and impartially examine into and report the condition of said bank as to assets and liabilities and such other information as may be required by the Board, and that he will not disclose the information he obtains through said examination to any person other than the Board, and that at the time of his employment he is not in any way obligated to or the owner of any interest in, said bank or an officer or stockholder therein, and that he is not the owner of any interest in, or an officer, employee or stockholder of any bank conducting a banking business in the same town, city or recording precinct in which the bank to be examined is located.

SECTION 2.109 BANK REPORTS TO THE BOARD

A. Every territorial bank shall make at least four reports each year to the 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, vice president, or cashier and by at least two directors; and in case of a partnership or individual, by one of the partners or owners of said bank, and his or their cashier, certifying and subscribing under oath that they and each of them have personal knowledge of the facts stated therein and that the same are true. Such reports shall exhibit in detail and under appropriate heads the resources and liabilities of the bank, and shall be transmitted or mailed to the Board within ten days of the receipt of the request from it.

Quarterly
reports
to Board.

B. The Board shall also have power to call for special reports from any bank whenever in its judgment the same are necessary in order to obtain a full knowledge of its condition.

Special
reports.

SECTION 2.110 PUBLICATION OF REPORTS

Publication
of reports.

All such reports in condensed form shall be published forthwith at least once in a newspaper of general circulation published in the place where the bank is located. If there be no newspaper published in such place, then in the newspaper published nearest thereto.

SECTION 2.111 BOARD'S ANNUAL REPORT

Contents
of report
to Governor.

A. The Board shall report to the Governor annually, within 60 days after the end of each fiscal year. Its report shall include:

(1) The text of all rules of the Board of general application, adopted or altered since its last previous report.

(2) Recommendations for legislation.

(3) A statement of the status and remaining assets and liabilities of all banking organizations in the possession of the Board.

(4) A summary of all changes occurring since its last previous report by reason of opening new territorial banks, mergers and conversions, increases and decreases in capital and the like.

(5) A statement of condition of each territorial bank as of the date of the most recent report of condition rendered to the Board.

B. Copies of the annual reports not previously so submitted shall be submitted to the Legislature at the opening of each regular session.

SECTION 2.112 RECORDS OF THE BOARD

A. Except to members of the Board, information from the records of the Board shall be revealed only with the consent of the Board and shall not be subject to subpoena. Privacy of records.

B. Reports of examinations made by the Board shall be retained for five years.

C. A copy of any document on file with the Board which is certified by the Attorney General as being a true copy may be introduced in evidence as if it were the original. The Board shall establish a schedule of fees for copies of documents. Copies.

SECTION 2.113 BANKING INTEREST OF BOARD

EMPLOYEES

No employee of the Board shall be an officer, director, trustee, attorney, owner, shareholder or partner in any bank, or, except as hereinafter provided, receive, directly or indirectly, any payment or gratuity from any such organization, or be indebted to any bank, or engage in the negotiation of loans for others with any such bank. This provision shall not prohibit being a depositor on the same terms as are available to the public generally, or being indebted to a bank upon: Limitation on Board employees.

(1) A mortgage loan upon the mortgagor's own home.

(2) Upon installment debt transferred to a bank in the regular course of business by a seller of household goods or automobiles purchased by the employee.

SECTION 2.114 LIMITATION OF PERSONAL LIABILITY

Personal
liability.

No member of the Board or employee thereof shall be liable in any civil action for damages for any act done or omitted in good faith in performing the functions of his office.

SECTION 2.115 PRESERVATION OF BANK RECORDS

Records
to be
preserved.

A. Every territorial bank shall retain its business records for such periods as are or may be prescribed by or in accordance with the terms of this section.

B. Each territorial bank shall retain permanently the minute books of meetings of its stockholders and directors, its capital stock ledger and capital stock certificate ledger or stubs, its general ledger, its daily statements of condition, its general journal, its investment ledger, its copies of bank examination reports, and all records which the Board shall, in accordance with the terms of this section, require to be retained permanently.

C. All other bank records shall be retained for such periods as the Board shall in accordance with the terms of this section prescribe.

D. The Board shall from time to time issue regulations classifying all records kept by territorial banks and prescribing the period for which records of each class shall be retained. Such period may be permanent or for a lesser term of years. Such regulations may from time to time be amended or repealed. Prior to issuing any such regulations the Board shall consider:

- (1) Actions at law and administrative proceedings

in which the production of bank records might be necessary or desirable.

(2) Territorial and federal statutes of limitation applicable to such actions or proceedings.

(3) The availability of information contained in bank records from other sources.

(4) Such other matters as the Board shall deem pertinent in order that its regulations will require banks to retain their records for as short a period as is commensurate with the interests of bank customers and shareholders and of the people of this Territory in having bank records available.

E. Any territorial bank may dispose of any record which has been retained for the period prescribed by or in accordance with the terms of this section for retention of records of its class, and shall thereafter be under no duty to produce such record in any action or proceeding

F. Any territorial bank may cause any or all records at any time in its custody to be reproduced by the microphotographic process and any reproductions so made shall have the same force and effect as the original thereof and be admitted in evidence equally with the original in all courts in the Territory not subject to the Rules of Civil Procedure for the District Courts of the United States.

G. To the extent that they are not in contravention of any law of the United States, the provisions of this section shall apply to all banks doing business in this Territory.

SECTION 2.116 STANDARDS IN REGULATIONS

The Board in the exercise of the power to make rules

Regulation
standards.

and issue regulations pursuant to this Act, shall act in the interests of promoting and maintaining a sound banking system, the security of deposits and depositors and other customers, the preservation of the liquid position of banks and in the interest of preventing injurious credit expansions and contractions.

ARTICLE III. BANKS

Title 1. Banking Practices

Part A. Accounts

SECTION 3.101 CERTIFICATION OF CHECKS

Check
certification.

A. The check of a depositor shall not be certified unless the amount of such check actually stands to the credit of the drawer on the books of such bank.

B. Any such check so certified, however, shall be a good and valid obligation against the bank in the hands of the innocent holder.

C. Any officer or employee of any bank who shall wilfully violate this provision shall be deemed guilty of a misdemeanor.

SECTION 3.102 PAYMENT OF ITEMS.

So long as the balance in any account subject to withdrawal by or upon the order of a depositor shall equal or exceed the amount of any item presented for payment, a bank may select from items which in the aggregate exceed the balance, the items to be paid in any order convenient to the bank.

SECTION 3.103 DEPOSIT OF MINOR OR PERSON UNDER DISABILITY.

Minor or
disability
account.

Where any deposit is made in any bank in his or her

own name by any minor, or any person under disability. such bank may pay such money on check or order of such person the same as in other cases, and such payments shall be valid payments in all respects.

SECTION 3.104 DEPOSITS IN TWO NAMES.

When a deposit has been made or shall hereafter be made, in any bank in the names of two or more persons, payable to any of them, or payable to any of them or the survivor of them, such deposit, or any part thereof, or any interest or dividend thereon, may be paid to any one or more of said persons, whether the others be living or not; and the receipt or acquittance of the person or persons so paid shall be a valid and sufficient release and discharge to the bank for any payment so made.

Multiple
account.

No bank so paying any such survivor shall thereby be liable for any estate, inheritance or succession taxes due this Territory.

SECTION 3.105 DEPOSITS IN TRUST.

Whenever any deposit shall be made in any bank by any person in trust for another, and no other or further notice of the existence and terms of a legal and valid trust shall have been given in writing to the bank, in the event of the death of the trustee, the same, or any part thereof, together with the dividends or interest thereon, may be paid to the person for whom said deposit was made.

Deposit and
payment
of trust.

No bank by paying any such survivor shall thereby be liable for any estate, inheritance or succession taxes due this Territory.

SECTION 3.106 PAYMENT OF STALE CHECK.

Where a check or other instrument payable on demand

Non-payment
of stale
check.

at any bank is presented for payment more than one year from its date, such bank may, unless expressly instructed by the drawer or maker to pay the same, refuse payment thereof and no liability shall thereby be incurred to the drawer or maker for dishonoring the instrument by non-payment.

SECTION 3.107 TIME LIMIT ON STOP PAYMENT ORDERS.

A. No revocation, countermand or stop-payment order relating to the payment of any check or draft against an account of a depositor in any bank remain in effect for more than three months after the service thereof on the bank, unless the same be renewed, which renewals shall be in writing and which renewals shall be in effect for not more than three months from date of service thereof on the bank, but such renewals may be made from time to time.

B. No notice affecting a check upon which revocation, countermand or stop-payment order has been made at the time of the taking effect of this act shall be deemed to continue for a period of more than three months thereafter.

SECTION 3.108 NONPAYMENT OF CHECK THROUGH ERROR.

No bank shall be liable to a depositor because of the non-payment through mistake or error and without malice of a check which should have been paid, unless the depositor shall allege and prove actual damage by reason of such non-payment and in such event the liability shall not exceed the amount of damage so proved.

STOP
PAYMENT
TIME
LIMIT.

ERROR IN
NON-
PAYMENT.

SECTION 3.109 FINAL ADJUSTMENT OF STATE-
MENTS OF ACCOUNT.

A. When a statement of account has been rendered by a bank to a depositor accompanied by vouchers, if any, which are the basis for debit entries in such account, or the depositor's passbook has been written up by the bank showing the condition of the depositor's account and delivered to such depositor with like accompaniment of vouchers, if any, such account shall, after the period of five years from the date of its rendition, in the event no objection thereto has been theretofore made by the depositor, be deemed finally adjusted and settled and its correctness conclusively presumed and such depositor shall thereafter be barred from questioning the correctness of such account for any cause.

Time limit
on
account
adjustment

B. Nothing herein shall be construed to relieve the depositor from the duty now imposed by law of exercising due diligence in the examination of such account and vouchers, if any, when rendered by the bank and of immediate notification to the bank upon discovery of any error therein, nor from the legal consequences of neglect of such duty; nor to prevent the application of Sections 3.110 and 3.111 to cases governed thereby.

Duty of
depositor
to examine

C. A statement of account may be rendered to a depositor by mailing such statement with supporting vouchers, if any, to his address as shown on the books of the bank.

SECTION 3.110 PAYMENT OF FORGED, ALTERED
OR RAISED CHECK.

A. No bank which has paid and charged to the account of a depositor any money on a forged, altered or

Liability
for
payment
of
altered
check

raised check issued in the name of said depositor shall be liable to said depositor for the amount paid thereon unless either (1) within six months after notice to said depositor that the vouchers representing payments charged to the account of said depositor for the period during which such payment was made are ready for delivery, or (2) in case no such notice has been given, within six months after the return to said depositor of the voucher representing such payment, the said depositor shall notify the bank that the check so paid is forged, altered or raised.

Duty of
depositor
to notify
bank.

B. If a depositor does not report a forgery, alteration or raising of any check to the bank which paid and charged the same to the depositor's account, either (1) within six months after notice to said depositor that the vouchers representing payments charged to the account of said depositor for the period during which such payment was made are ready for delivery, or (2) in case no such notice has been given, within six months after the return to said depositor of the voucher representing such payment, or (3) in any event, immediately on discovery, the bank shall not be liable to him on any additional checks forged, altered or raised by the same person and paid prior to the receipt of the report from the depositor.

Method
of notice.

C. The notice referred to in the preceding sections may be given by mail to said depositor at his last known address with postage prepaid.

D. This section shall not relieve a depositor from due diligence in the examination of returned vouchers, in otherwise discovering that an item has been forged, altered or raised, or in the immediate notification of the bank upon his actual discovery of the forgery or alteration in amount or otherwise.

SECTION 3.111 PAYMENT OF CHECK BEARING
FORGED OR UNAUTHORIZED EN-
DORSEMENT.

A. No bank shall be liable to a depositor for the payment by it of a check bearing a forged or unauthorized endorsement unless, either (1) within six months after notice to said depositor that the vouchers representing payments charged to the account of said depositor for the period during which such payment was made are ready for delivery, or (2) in case no such notice has been given, within six months after the return to said depositor of the voucher representing such payment, or (3) in any event, immediately on discovery, said depositor shall notify the bank that the endorsement is forged or unauthorized.

Liability
of bank
for paying
forged
check.

B. The notice referred to in the preceding section may be given by mail to said depositor at his last known address with postage prepaid.

C. This section shall not relieve a depositor from due diligence in the examination of returned vouchers, in otherwise discovering that an endorsement has been forged or is unauthorized, or in the immediate notification of the bank upon his actual discovery of the forgery or unauthorized endorsement.

SECTION 3.112 ADVERSE CLAIM TO BANK
DEPOSIT.

Notice to any bank of an adverse claim to a deposit standing on its books to the credit of any person shall not be effectual to cause said bank to recognize said adverse claimant unless said adverse claimant shall also

Court
order
to assert
adverse
claim.

either procure a restraining order, injunction or other appropriate process against said bank from a court of competent jurisdiction in a cause therein instituted by him wherein the person to whose credit the deposit stands is made a party and served with summons or shall execute to said bank in form and with sureties acceptable to it, a bond, indemnifying said bank from any and all liability, loss, damage, costs and expenses, for and on account of the payment of such adverse claim or the dishonor of the check or other order of the person to whose credit the deposit stands on the books of said bank: Provided, that this law shall not apply in any instance where the person to whose credit the deposit stands is a fiduciary for such adverse claimant, and the facts constituting such relationship as also the facts showing reasonable cause of belief on the part of the said claimant that the said fiduciary is about to misappropriate said deposit, are made to appear by the affidavit of such claimant.

SECTION 3.113 • DEATH OR INCOMPETENCY OF DEPOSITOR.

Notice
required
of death
or
incompetency.

A. A bank may continue to operate the account of a deceased or incompetent depositor until it receives written notice of the death or adjudication of incompetency.

B. Notwithstanding that a bank has received written notice of the death of a depositor, it may, until one month after receipt of such notice, pay any item made, drawn or accepted by the depositor, provided that such payment is otherwise proper.

C. No bank shall be liable for damages, penalty or tax by reason of any payment made pursuant to this section.

SECTION 3.114 POWERS OF ATTORNEY.

A. A bank may continue to recognize the authority ^{Powers of Attorney.} of an attorney authorized in writing to operate, in whole or in part, the account of a depositor, until it receives written notice of the revocation of his authority.

B. Written notice of the death or adjudication of incompetency of such depositor shall constitute written notice of revocation of the authority of his attorney.

C. Notwithstanding that a bank has received written notice of revocation of the authority of such attorney, it may, until one month after receipt of such notice, pay any item made, drawn, accepted or endorsed by such attorney prior to such revocation, provided that such item is otherwise properly payable.

D. No bank shall be liable for damages, penalty or tax by reason of any payment made pursuant to this section.

SECTION 3.115 TRANSMITTING MONEY: FOREIGN EXCHANGE

A. A bank may accept money for transmission and may transmit money.

Transfer and foreign exchange.

B. A bank may buy and sell foreign exchange to the extent necessary to meet the needs of customers.

SECTION 3.116 OPTIONAL FIVE-DAY WEEK

A. Any bank, trust company or savings and loan association organized under or doing business under the laws of Alaska, or any national bank, may remain closed on any day of the week fixed at least fifteen days in ^{Fifteen day notice of closure.}

advance by the adoption of a resolution to such effect by a majority vote of the Board of Directors thereof, and notice thereof posted in the bank or trust company or savings and loan association for the same time. Any day on which such bank, trust company or savings and loan association shall, pursuant to such vote and notice, remain closed, shall, with respect to such bank, trust company, national bank or savings and loan association, be deemed a holiday, and no such bank, trust company, national bank or savings and loan association shall be required to permit access to its safe deposit vaults on such day.

B. Where a contract by its terms requires the payment of money or the performance of a condition on any such day by or at such bank, trust company, national bank or savings and loan association, such payment may be made or condition performed on the next business day succeeding such day when such bank, trust company, national bank or savings and loan association shall so remain closed, with the same force and effect as if made or performed in accordance with the terms of the contract.

SECTION 3.117 AUTHORIZING PAYMENT AND HONORING OF ITEMS

Any bank in the Territory of Alaska is hereby authorized to honor and pay items signed by any person designated by the named maker or drawer as a proper person so to sign such item, and to charge the account of the maker or drawer of all such items, when so signed, without inquiring as to the circumstances of their issue, or the disposition of their proceeds, whether such checks or orders be payable to cash or to the order of or endorsed or negotiated by any person signing them, or any person in his individual capacity or not, and without regard to any notation or memorandum made upon said item.

PART B. TRUST BUSINESS

SECTION 3.140 POWERS AS TRUSTEE

Trust
business

AUTHORIZED

Every bank organized under this Act shall, subject to Powers the restrictions and limitations of laws and the regulations of the Board, have the following powers:

A. To act as trustee under any mortgage or bond issued by the Territory of Alaska, or any municipality, body politic or corporation, foreign or domestic, and accept and execute any other municipal or corporate trust not prohibited by the laws of this Territory. Act as trustee

B. To accept trusts from, and execute trusts for married women in respect to their separate property, and to be their agent in the management of such property or to transact any business in relation thereto. Accept trusts of married women

C. To act under the order of appointment of any court of competent jurisdiction including any probate court as guardian, receiver, or trustee of the estate of any minor and as depository of any moneys paid into court, whether for the benefit of any such minor or any person, corporation or party, and in any other fiduciary capacity. Act as trustee of estate

D. To be appointed and to act under the order or appointment of any court of competent jurisdiction including any probate court, as trustee, guardian, receiver or committee of the estate of a lunatic, idiot, spendthrift, person of unsound mind or habitual drunkard, or as receiver or committee of the property or estate of any person in insolvency or bankruptcy proceedings; to be appointed and to accept the appointment of executor and administrator with or without the will annexed of the estate of any deceased person. Act as Trustee of incompetent person.

Management
of estates.

E. To take, accept and execute any and all such legal trusts, duties and powers in regard to the holding, management and disposition of any estate, real or personal, wherever located, and the rents and profits thereof, or the sale thereof, as may be granted or confided to it by any court of competent jurisdiction including any probate court or by any person, corporation, municipality or other authority and it shall be accountable to all parties in interest for the faithful discharge of every such trust, duty or power which it may so accept.

General
trust
powers.

F. To take, accept and execute any and all such trusts and powers of whatever nature or description as may be conferred upon or entrusted or committed to it by any person or persons, or any body politic, corporation, domestic or foreign, or other authority, grant, assignment, transfer, devise, bequest or otherwise, or which may be entrusted or committed or transferred to it or vested in it by order of any court of competent jurisdiction, including any probate court, and to receive, take, manage, hold and dispose of according to the terms of such trust or powers any property or estate, real or personal, which may be the subject of any such trust or power.

Act as
fiscal
agent of
government.

G. To act as the fiscal or transfer agent of the United States of America or of any state, territory, municipality, or other body politic, and in such capacity to receive and disburse moneys, to transfer, register and countersign certificates of stocks, bonds, or other evidences of indebtedness.

SECTION 3.151 APPLICATION OF GENERAL BANKING LAWS

Application
of laws.

The provisions of this Act shall be applicable to all trust companies engaged in the business of banking in the Territory of Alaska.

SECTION 3.152 SUPERVISION BY TERRITORIAL
BANKING BOARD

The Board shall have supervision of every trust company organized under the provisions of this Act and the provisions of Sections 34-3-1 to 34-3-13 inclusive ACCLA 1949, whether engaged in the business of banking or in the general trust company business, and said Board is hereby authorized and directed to make, formulate and promulgate and enforce such rules, restrictions, limitations and regulations as it shall, from time to time, deem necessary or proper for the government, control, operation or regulation of any and all phases of the trust company business as defined by this Act, and every trust company organized hereunder, or engaging in the trust company business in the Territory, shall conform to any and all rules, restrictions, limitations or regulations so made, formulated or promulgated by said Board.

Banking
supervision.

SECTION 3.153 DISSOLUTION

Any trust company may be dissolved in the same manner and under the same procedure as prescribed by this Act.

Trust
company
dissolution.

PART C. RESERVES, LOANS, INVESTMENTS
AND MISCELLANEOUS.

SECTION 3.160 RESERVES AGAINST DEPOSITS

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 (20%) percent of its de-

Bank
reserves.

mand liabilities and eight (8%) per cent of its time deposits, provided, that for the purposes of the foregoing requirements, liabilities shall be excluded which consist of deposits secured by assets of the bank, pledged as required or permitted by laws of the United States or of the Territory of Alaska.

SECTION 3.161 LOANS

Loan limit
without
Directors
approval.

A. It shall be unlawful for the officers or employees, or any officer or employee, of any bank, to loan funds of such bank in an amount exceeding Five Thousand Dollars (\$5,000.00) to any one person, firm or corporation, without obtaining the approval of such loan from the Board of Directors of such bank, or from a committee of said Board consisting of not less than three members thereof.

Maximum
single
loan.

B. It shall be unlawful for the officers or employees or any officer or employee of any territorial bank to loan funds of such bank to any one person, firm or corporation in a sum exceeding thirty-five (35%) per cent of its combined capital stock and surplus, and in the case of a corporation the total of any sum loaned directly to such corporation, and of any sum or sums loaned in such manner or to such person that the capital stock of such corporation is received by the bank as collateral security for such loan or loans, shall never exceed thirty-five (35%) per cent of the combined capital and surplus of the bank. 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.

Exception.

C. Provided, that the foregoing restrictions shall not apply to loans guaranteed or by commitments or agree-

ments to take over or to purchase, by any department, bureau, board, commission, or establishment of the United States, including any corporation wholly owned, directly or indirectly, by the United States, and further provided that guarantees, agreements or commitments are unconditional and must be performed by payment in cash or its equivalent within sixty days after demand.

D. No bank shall accept its capital stock, or any part of it, as security for loans.

SECTION 3.162 DIRECTORS' LIABILITY FOR EXCESSIVE LOANS

Any loan made in violation of the provisions of Part C. of Title 1, Article III of this Act, shall make the officers and directors of such bank authorizing or permitting the same to be 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.

Directors
liability.

SECTION 3.163 UNAUTHORIZED LOANS TO OFFICERS AND EMPLOYEES; PENALTIES

It shall be unlawful for any director, officer, or employee of any territorial bank to make loans to himself out of the funds of such bank by note, overdraft or otherwise, without having first obtained permission from the Board of Directors of such bank; and it shall be unlawful for any territorial bank to loan in any manner its funds for the purpose of financing enterprises not within the Territory of Alaska. Any officer or employee of any territorial bank who shall violate any provision of this section shall be guilty of a misdemeanor, and upon con-

Approval
of employee
loans.

Penalties
for violation.

viction thereof shall be punished by a fine of not more than Five Thousand Dollars (\$5,000.00), or by imprisonment in the federal jail for not more than one year, or both.

SECTION 3.164 LIABILITY OF DIRECTORS FOR CARELESS OR EXCESSIVE LOANS

Liability
for
improper
loans.

The directors of any territorial bank, who shall knowingly approve or permit the funds of such bank to be loaned in any excessive, careless or dishonest manner, shall be liable in their personal and individual capacity for all damages which the corporation, its stockholders, its depositors, or any other person shall have sustained in consequence of such violation, which liability may be enforced against such director or directors by suit or action in any court of competent jurisdiction.

SECTION 3.165 LOANS UNDER TITLE I OF THE NATIONAL HOUSING ACT

National
Housing
loans.

Any person may loan under Title I of the National Housing Act. In so doing any person may charge at a rate not exceeding Five Dollars (\$5.00) per One Hundred Dollars (\$100.00) per annum upon the original face amount of the instrument or instruments evidencing the loan for the entire period of the loan and which such charge may be collected in advance.

SECTION 3.166 LIMITATION UPON ACQUISITION OF GENERAL PROPERTY

Limit on
property
acquisition.

Any territorial bank may purchase, hold and convey real estate, mining claims and town lots, for the following purposes and no other: such as shall be necessary for the convenient transaction of its business, including

its banking offices, assay office, other apartments in the same building to rent as a source of income; such as shall be purchased by or conveyed to it in satisfaction or on account of debts previously contracted in the course of its business; such as it shall purchase at sale under judgments, decrees, liens, or mortgage foreclosures, against securities held by it.

SECTION 3.167 CORPORATE OWNERSHIP OF SHARES IN BANKS PROHIBITED

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 the regulation of the Board, 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 Board.

Limitation
on ownership
of bank
shares.

SECTION 3.168 ACQUISITION OF PROPERTY TO SATISFY OR PROTECT PREVIOUS LOAN

A. A territorial bank may take property of any kind, including shares of its own capital stock, to satisfy or protect a loan previously made in good faith and in the ordinary course of business.

Property
acquisition
to protect
loans.

B. The property shall be entered on the books at cost, or fair market value, whichever is less.

C. Property acquired to satisfy or protect previous loans shall be disposed of over such periods of time as the Board may prescribe by regulation.

Disposition
of property.

SECTION 3.169 DISPOSITION OF PROPERTY NOT NEEDED IN THE CONDUCT OF A BANKING BUSINESS

All real estate and personal property other than is necessary and requisite for the transaction of a conservative banking business, coming into the possession of any territorial bank shall be disposed of as soon as possible, in accordance with the Regulations of the Board. If any such real estate or personal property is not sold within the time limit prescribed by such Regulations, it shall be written off and shall not be carried as an asset of the bank.

SECTION 3.170 LIMITATION ON COST OF BANK- ING PREMISES

Investment
limit in
bank
premises.

No bank shall invest in a banking office, assay office and apartments connected therewith, any sum exceeding fifty (50%) per cent of its capital: Provided, this limitation shall not apply to the present holdings of banks doing business.

SECTION 3.171 BORROWING

Limit on
borrowing
to re-loan.

A. No territorial bank shall borrow money to reloan in a sum in excess of its paid up capital nor may it pledge the assets of the bank in an amount exceeding fifty (50%) 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 reloading, the Board may require such bank to pay off such borrowed money.

B. Nothing herein shall prevent any bank from re-discounting in good faith and endorsing any of its negotiable notes.

C. It shall be unlawful for any bank to issue its certificate of deposit for the purpose of borrowing money.

SECTION 3.172 PLEDGE OF ASSETS: PROHIBITION OF PREFERENCES TO CREDITORS

A. No bank, banker or bank officer shall give preference to any depositor or creditor by pledging any of the assets of a bank as collateral security, except that such security may be given to the Territorial Treasurer to secure Territorial funds, and any bank may also give such security to the United States as may be required to make such bank a depository for United States funds.

B. 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.

No preference to creditors.

C. 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.

PART D. BANK COLLECTIONS

SECTION 3.175 BANK IS AGENT FOR COLLECTION

Except as otherwise provided by agreement and except as to subsequent holders of a negotiable instrument payable to bearer or endorsed specially or in blank, where an item is deposited, or received for collection, the bank

Bank is depositor's agent for collection.

of deposit shall be agent of the depositor for its collection and each subsequent collecting bank shall be sub-agent of the depositor but shall be authorized to follow the instructions of its immediate forwarding bank and any credit given by any such agent or sub-agent bank therefor shall be revocable until such time as the proceeds are received in actual money or an unconditional credit given on the books of another bank, which such agent has requested or accepted. Where any such bank allows any revocable credit for an item to be withdrawn, such agency relation shall nevertheless continue except the bank shall have all the rights of an owner thereof against prior and subsequent parties to the extent of the amount withdrawn.

SECTION 3.176 DEMAND ITEMS PAYABLE BY, AT
OR THROUGH SAME BANK

A. In any case in which a bank receives, other than for immediate payment over the counter, a demand item payable by, at or through such bank and gives credit therefor before midnight of the day of receipt, the bank may have until midnight of its next business day after receipt within which to dishonor or refuse payment of such item. Any credit so given, together with all related entries on the books of the receiving bank, may be revoked by returning the item, or if the item is held for protest or at the time is lost or is not in the possession of the bank, by giving written notice of dishonor, non-payment or revocation; provided, that such item or notice is dispatched in the mails or by other expeditious means not later than midnight of the bank's next business day after the item was received. For the purpose of determining when notice of dishonor must be given or protest made under the law relative to negotiable instruments, an item duly presented, credit for which is revoked as authorized by this section, shall be deemed

Time limit
for
demand
items.

dishonored on the day the item or notice is dispatched. A bank, revoking credit pursuant to the authority of this section, is entitled to refund of, or credit for, the amount of the item.

B. For the purposes of this section:

(1) An item received by a bank on a day other than its business day, or received on a business day ^{Time of receipt.} after its regular business hours or during afternoon or evening periods when it has reopened or remained open for limited functions, shall be deemed to have been received at the opening of its next business day.

(2) The term "credit" includes payment, remittance, advice of credit, or authorization to charge and, in cases where the item is received for deposit as well as for payment, also includes the making of appropriate entries to the receiving bank's general ledger without regard to whether the item is posted to individual customers' ledgers.

(3) Each branch or office of a bank shall be deemed a separate bank.

C. The effect of this section may be varied by agreement.

SECTION 3.177 ITEMS LOST IN TRANSIT

Where an agent bank forwards an item for collection, it shall not be responsible for its loss or destruction in transit or, when in the possession of others, for its inability to repossess itself thereof, provided there has been no lack of ordinary care on its part. ^{Destruction or loss in transit.}

SECTION 3.178 THIS PART NOT RETROACTIVE

The provisions of this Part D shall not apply to trans- ^{Prior transactions.}

actions taking place prior to the time when this Act takes effect.

SECTION 3.179 CASES NOT PROVIDED FOR IN THIS PART

In any case not provided for in this Part D, the rules of law and equity, including the law merchant and those rules of law and equity relating to trusts, agency, negotiable instruments and banking, shall continue to apply.

SECTION 3.180 UNIFORMITY OF INTERPRETA- TION

This Part D shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those states which enact it.

TITLE 2. ORGANIZATION AND CORPORATE FUNCTIONS OF BANKS

SECTION 3.201 GENERAL CORPORATE POWERS

Upon making and filing the articles of incorporation as hereinafter prescribed, such bank shall become a body corporate, and as such shall have the power:

(1) To adopt and use a corporate seal.

(2) To have succession for the term of years mentioned in its articles of incorporation.

(3) To make contracts.

(4) To sue and be sued, the same as a natural person.

(5) To elect directors, who shall have power to appoint such officers as may be necessary or convenient.

(6) To define their powers and duties and to dismiss them at pleasure, and shall also have general superintendence and control of the affairs of such corporation.

(7) To prescribe, by its stockholders, by-laws not inconsistent with law, regulating the manner in which its stock shall be transferred, its directors and officers elected or appointed, its stockholders convene for the general or special meetings, its property transferred, its general business conducted and the privileges as granted to it by law exercised and enjoyed.

(8) To exercise by its board of directors, or duly authorized officers or agents, subject to law, all such powers as shall be necessary to carry on the business of banking as defined and regulated by this Act.

SECTION 3.202 CAPITAL STRUCTURE

A. It shall be unlawful for any corporation, foreign or domestic, or any partnership or individual to transact a banking business in this Territory unless, in the case of a corporation, such corporation have a paid-up capital of at least Fifty Thousand Dollars (\$50,000.00), in lawful money of the United States, or in the case of a partnership, or individual, unless such partnership or individual has actually invested in such banking business the sum of Fifty Thousand Dollars (\$50,000.00) lawful money of the United States.

B. Provided, however, that any bank which is engaged in business prior to the passage of this Act which does not have a paid-up capital of at least Fifty Thousand Dollars (\$50,000.00) shall not be deemed in violation of this Act provided that it shall have acquired a paid-in

Capitalization
required

Application
to establish
banks.

capital of not less than Fifty Thousand Dollars (\$50,000.00) within five years from the date of the passage of this Act.

C. No reduction of capital stock of a territorial bank shall be made to an amount less than is required in this act for capital, nor be valid, nor warrant the cancellation of stock certificates, nor diminish the liability of the stockholders, until such reduction has been approved by the Board.

SECTION 3.203 CORRECTION OF IMPAIRMENT OF CAPITAL

Levy on
stockholders.

A. If it should be disclosed that the capital of a bank be impaired, an immediate demand shall be made by the Board upon the directors of such bank to have the impairment replaced within ninety days and to levy an assessment upon the stockholders for that purpose.

Collection
of stockholders
assessment.

B. Whenever the Board shall notify the Board of Directors of a bank or trust company to replace an impairment of capital of the bank or to levy an assessment upon the stock of such corporation for the purpose of making good such impairment, such Board of Directors shall, within ten days from the issuance of such notice, if such impairment is not within that time replaced, adopt a resolution for the collection of sufficient funds to replace said impairment by the levy of an assessment, and shall immediately upon the adoption of such resolution serve notice upon each stockholder personally or by mail at his last known address to pay such assessment, and that if the same be not collected within sixty days from the date of issuance of such notice, the stock shall be subject to sale and all amounts previously collected thereon will be subject to forfeiture.

C. At any time after the expiration of said sixty day period, the Board of Directors may proceed, by action at law or otherwise, to collect the assessment from any delinquent stockholder, or it may, whether an action has been commenced or not, at any time before the assessment is actually collected, sell the stock of such stockholder and forfeit all the amounts previously collected thereon. Provided, that the collection of any assessment under the provisions of this section for the purpose of making good any impairment of capital, as herein provided, shall not relieve any stockholder from any liability to the creditors of the bank as provided by Section 3.204 of this act.

Sale of stock
for failure
to meet
assessment.

Disposition
at surplus
from sale.

D. If any stock be sold, there shall be returned to the original stockholder, his heirs or assigns, any surplus which remains after deducting from the amount realized at such sale, the amount of the assessment due upon such stock, together with all costs incurred in connection with the sale of such stock and interest upon the assessment from the date of the notice to the stockholder.

Failure of
directors
to take
action.

E. In the event of the failure of any board of directors to adopt the resolution herein required within the time specified or to collect any assessment or to forfeit the stock of any delinquent stockholder, as herein provided, the Board may, in its discretion, at any time, issue the notice herein provided for, on behalf of such corporation and bring any appropriate action in its own name but for the benefit of such corporation for the collection of any assessment, declare the forfeiture of any stock, or perform any other act herein referred to, with the same force and effect as if said act was performed by the board of directors, and in the event that the Board shall have brought any proceedings for the collection of any assessment, the board of directors shall thereafter have no power to continue such proceedings, except as permitted by said Board.

SECTION 3.204 DOUBLE STOCKHOLDER LIABILITY; EXCEPTION IF DEPOSITS INSURED

Double
stockholder
liability.

The stockholders of every territorial bank shall be individually liable, equally and ratably, and not one for another, for the benefit of the creditors of such bank to the amount of their stock at the par value thereof, in addition to the stock held by them. Such liability may be enforced by action at law, or suit in equity by any such bank in process of liquidation, or by any receiver or persons succeeding to the legal rights of such bank. Such liabilities shall continue for six months after any transfer of stock, as to the affairs of the bank at the time and prior to date of transfer; but when and if the deposits of the bank are insured to the maximum amount allowable by the Federal Deposit Insurance Corporation or any agency of the United States which insures bank deposits, in whole or in part, then the stockholders of such bank shall not be liable.

Exception
to liability.

SECTION 3.205 BANK PURCHASE OF ITS OWN SHARES PROHIBITED

No bank shall be the purchaser of its own capital stock.

SECTION 3.206 SHARES OF BANK STOCK DEEMED PERSONAL PROPERTY; TRANSFER OF SHARES

Stock
deemed
personal
property

The shares of stock of an incorporated bank shall be deemed personal property and shall be transferred on the books of the bank in such manner as the by-laws thereof shall direct.

SECTION 3.207 INCORPORATORS

Any number of persons, not less than three, may become incorporated under this Act for the purpose of conducting and carrying on a general banking business

Minimum
persons
required
for
incorporation.

upon the terms and conditions, and subject to the restrictions prescribed in this Act.

SECTION 3.208 NOTICE OF INTENTION

A. (1) The incorporators shall file with the Board a notice of their intention to organize a territorial bank, signed by each of them. The notice shall state:

Contents
of notice
to organize.

(a) The name, residence and occupation of each incorporator, and the amounts of stock subscribed, and paid for, by each.

(b) The name and address of an individual within the Territory to whom notice to all the incorporators may be sent.

(c) The total capital, the number of shares of each class, and the par value of the shares of each class of the proposed territorial bank.

(d) The community in which the proposed territorial bank is to be located.

(2) An existing bank shall file with the Board a notice of its intention to institute a branch bank, or to move the location of its principal office or of any branch thereof. The notice shall state:

(a) The address or the community in which the proposed branch is to be located, or the address to which the principal office or of any branch is proposed to be moved.

(b) Such other information as the Board may require.

B. The Board may order the incorporators not to

accept any stock subscriptions, or to cease accepting subscriptions, if it shall determine that the notice does not comply with the provisions of this Section, that the incorporators are proceeding unlawfully or are not acting in good faith. It shall be a criminal offense against this Act to accept any stock subscription until 30 days after filing a notice of intention or in violation of an order of the Board; and any such subscription shall be enforceable only by the Board and only to the extent the Board determines it to be necessary to protect depositors or the public.

SECTION 3.209 ORGANIZATION EXPENSES; PAYMENTS FOR SECURING STOCK SUBSCRIPTIONS PROHIBITED

No payment shall be made from the funds of a bank for securing subscriptions to stock.

SECTION 3.210 ARTICLES OF INCORPORATION

A. The persons incorporating shall execute articles of incorporation, which shall specify:

Articles
of incor-
poration
to include

1. The name assumed by such bank.
2. The judicial division in which such bank is to be located and the community where such bank is to conduct its principal place of business.
3. The nature of its business.
4. The amount of its capital stock which shall be divided into shares of \$100 each.
5. The number of directors, which shall not be less than three.
6. The period for which such bank is organized, if limited.

B. Such articles shall be executed in quadruplicate and acknowledged before any officer in the Territory of Alaska authorized to take acknowledgment of deeds. ^{Filing of articles.} One copy of such articles shall be filed and recorded in the office of the Clerk of the District Court for the judicial division in which such bank is located; one shall be filed with the Auditor of the Territory; one, together with the by-laws of the corporation, shall be filed with the Board; and one shall be retained by the corporation. Such articles, or duly authenticated copies thereof, may be used as evidence in all courts of the Territory.

C. Any bank may amend its articles of incorporation in any manner not inconsistent with the provisions of this act by a vote of its stockholders, representing two-thirds of the capital at any regular meeting or at a special meeting duly called for that purpose. A certificate of the fact and terms of the amendments shall be executed by a majority of the directors and filed as required for articles of incorporation.

SECTION 3.211 PROHIBITION AGAINST TRANS-
ACTING UNNECESSARY BUSINESS
UNTIL CERTIFICATE OF AUTHOR-
ITY GRANTED

A. No territorial bank hereafter formed, created or organized, or any branch thereof, or any branch of an existing territorial bank, or any principal office of an existing bank in a changed location thereof shall transact any business except such as is necessary preliminary to its organization or operation, until it has been granted a certificate of authority by the Board authorizing the bank or branch thereof to commence the business of banking at the location named in the application. ^{Approval necessary to do business.}

B. The bank shall mail such notice of the application for a certificate of authority as the Board may prescribe to such persons and organizations as the Board may designate. The Board may also require publication of the notice.

SECTION 3.212 LIMITATION OF BRANCH BANKING

Mileage
limit on
branch
banking.

No bank heretofore or hereafter organized, shall open, commence or establish any branch bank, office or agency which is located more than one hundred (100) miles from its principal office.

SECTION 3.213 DEPOSIT INSURANCE REQUIRED; BOARD ACTION IF INSURANCE DISCONTINUED

Necessity of
Federal
Insurance.

No bank incorporated under this Act shall commence business until it has acquired membership in the Federal Deposit Insurance Corporation or any agency of the United States which insures bank deposits, in whole or in part; provided, that banks which have qualified to do business prior to the passage of this Act shall not be required to acquire membership in Federal Deposit Insurance Corporation or other agency of the United States which insures bank deposits, in whole or in part; and provided, further, that any bank which has acquired such membership may not relinquish same without notice, ninety days in advance, to the Board, of its intention so to do, and obtaining the prior consent of the Board to the discontinuance of such membership. Loss of membership without giving such notice and having received such prior consent shall constitute cause for the Board to take possession of such bank in the manner provided by Section 3.402 of this Act.

SECTION 3.214 FOREIGN PERSONS ENGAGED IN BANKING

No foreign person, as herein defined, shall do a banking business in the Territory until he shall have received from the Board a charter and a certificate of authority authorizing him to do a banking business in the Territory of Alaska, the same as is required under this Act from persons resident in the Territory.

Foreign persons require charter

SECTION 3.215 APPLICATION FOR CHARTER

A. After the capital stock has been fully subscribed, the incorporators may apply to the Board for a charter. The incorporators shall submit:

Charter application contents.

(1) A proposed charter in triplicate in such form as the Board shall prescribe, containing the following information:

- (a) The name of the territorial bank.
 - (b) The community in which it is to be located.
 - (c) The amount of capital, the number of shares of each class, the relative preferences, powers and rights of each class, the par value of the shares of each class and the amount of the paid-in surplus.
 - (d) A statement whether voting for directors shall or shall not be cumulative and the extent of the preemptive rights of stockholders.
 - (e) Such other proper provisions to govern the business and affairs of the territorial bank as may be desired by the incorporators.
- (2) An application in such form and containing

such information as the Board requires, including the following:

- (a) The name, residence and occupation of each subscriber and the number of shares for which he has subscribed.
- (b) The past and present connection with any bank other than as a customer on terms generally available to the public, of each director and each subscriber to more than 5 per cent of the capital stock.
- (c) The address at which it is proposed that the territorial bank do business or, if such address is not known, the area within the community in which it is proposed that the business be located.

B. The incorporators shall mail such notice of the application as the Board may prescribe to such persons and organizations as it may designate. The Board may also require publication of the notice.

SECTION 3.216 DETERMINATION ON APPLICATION FOR CHARTER

A. The Board shall grant a charter by endorsing its approval upon all copies of the application therefor, if the Board shall determine that:

1. The addition of the proposed facilities in the community is not detrimental to a sound banking system.
2. The incorporators have proceeded in a lawful manner.
3. The name is not deceptively similar to that of another bank or otherwise misleading.

Conditions
necessary
for charter
approval

4. The persons who will serve as directors and officers, insofar as such persons are known, are qualified by character and experience.

5. The capital is not less than the required minimum.

B. The Board shall file a copy of the charter in the office of the Clerk of the District Court for the judicial division in which such bank is located; one shall be filed with the Auditor of the Territory; one shall be retained in the Board's files; and one copy shall be returned to the individual named to receive notices to the incorporators.

SECTION 3.217 SUBSCRIPTION CALLS

After a charter has been granted, the directors may call for the payment of the subscriptions in full within 30 days from the date of the notice. No share shall be issued until the par value and the pro rata portion of the paid-in surplus specified in the charter have been paid in full in cash.

Payment
of subscrip-
tion

SECTION 3.218 AFFIDAVIT OF CAPITAL PAID IN; PENALTIES FOR VIOLATION

A. No bank incorporated under this Act shall commence business until all the capital stock is actually paid in in lawful money of the United States.

Affidavit
of capital
receipt.

B. Payments so made to the capital stock of such bank shall be certified under oath to the Board by the president, vice president or cashier of such bank.

C. Any such president, vice president, cashier or any officer of such bank, or any person whosoever, whether an officer of the bank or not, who shall make and file

or cause or permit to be made or filed or who shall knowingly aid, abet, encourage or assist any such person to make or file with the Board any certificate required by this section which shall be false in whole or in part shall be punished by a fine of not less than One Thousand dollars nor more than Five Thousand dollars, or by imprisonment in the penitentiary not less than one year nor more than five years, or by both such fine and imprisonment.

SECTION 3.219 FIRST MEETINGS OF STOCKHOLDERS AND DIRECTORS; ADOPTION OF BY-LAWS

Stockholders meeting.

A. After the capital and surplus have been fully paid, a meeting of the stockholders shall be called by the incorporators on 10 days' notice to elect directors and adopt by-laws, and direct the call, on 5 days' notice, of the first meeting of directors for the election of officers.

Adoption of by-laws.

B. By-laws shall be adopted and may be amended by a vote of the holders of a majority of the outstanding voting shares voted at a meeting of the stockholders, but the by-laws may provide for amendment by the board of directors of any provisions other than those relating to the duties, term of office, remuneration, reimbursement or indemnification of a director.

SECTION 3.220 REIMBURSEMENT OF OFFICER, DIRECTOR OR EMPLOYEE FOR EXPENSES IN DEFENDING SUITS

Reimbursement for court action.

The by-laws of a territorial bank may provide that it shall indemnify every officer, director or employee, his heirs, executors and administrators, against judgments resulting from and the expenses reasonably incurred by

him in connection with any action to which he may be made a party by reason of his being an officer, director or employee of the territorial bank, including any action based upon any alleged act or omission on his part as an officer, director or employee of the territorial bank, except in relation to matters as to which he shall be finally adjudged in such action to be liable for his negligence or his misconduct, and except that, in the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the territorial bank is advised by counsel that in the opinion of counsel the person to be indemnified was not liable for such negligence or misconduct. The foregoing right of indemnification shall not be exclusive of other rights to which such officers, directors or employees may be entitled.

SECTION 3.221 CERTIFICATE OF AUTHORITY

A. It shall be a criminal offense against this Act for a bank to perform any act other than to perfect its organization, obtain and equip a place of business and otherwise prepare to do business before receiving a certificate of authority to operate, as to each location of the principal office and to each branch office.

B. Application for a certificate of authority for the operation of the initial office of a bank shall be made to the Board and shall contain:

Issuance
and contents
of certificate
of authority.

(1) A statement that the capital and surplus have been paid in.

(2) The name, address and business and professional affiliations of each director and executive officer.

(3) The name and address of each stockholder and the number of shares held by him.

(4) The address at which the bank will operate.

(5) A statement that all of the by-laws adopted have been attached as an exhibit to the application.

(6) A statement that the bank has obtained membership in the Federal Deposit Insurance Corporation, or other agency of the United States which insures bank deposits, in whole or in part.

(7) Such other information as the Board may require to enable it to determine whether a certificate of authority should be issued.

C. Application for a certificate of authority for the operation of any branch bank, or for the change of location of the principal office or of any branch of any bank shall be made to the Board and shall contain:

(1) The address at which the bank or branch thereof will operate.

(2) Such other information as the Board may require to enable it to determine whether a certificate of authority should be issued.

D. The Board shall issue a certificate of authority for the operation of the initial office of a bank if:

(1) The capital and surplus have been fully paid in cash.

(2) Appropriate by-laws have been adopted.

(3) Any conditions imposed by the Board in granting the charter have been fulfilled.

(4) The requirements of this Act have been satisfied.

E. The Board shall issue a certificate of authority for the operation of a branch bank, or for the operation of the principal office of a bank, or of a branch bank, in a changed location, if:

(1) The Board shall determine that the addition of the proposed facilities in the community is not detrimental to a sound banking system.

(2) The bank has proceeded in a lawful manner.

(3) The name is not deceptively similar to that of another bank in the proposed community or otherwise misleading.

(4) The capital is not less than Fifty Thousand Dollars (\$50,000.00) plus Twenty-five Thousand Dollars (\$25,000.00) for each branch which is in operation and which is the subject of the application.

(5) Any conditions imposed by the Board in granting the certificate have been fulfilled.

(6) The requirements of this Act have been satisfied.

F. If no application for a certificate of authority is filed within six months following the grant of a charter or any additional period allowed by the Board or if a certificate of authority has been finally denied, the charter shall be forfeited, and the bank shall be liquidated in accordance with the orders of the Board. If an improper expenditure has been made, the Board may order the persons who were incorporators or directors at the time to restore the sum by equal contributions. ^{Forfeit}
^{of charter.}

G. The Board shall not hereafter issue to any person, either domestic or foreign, a certificate of authority empowering him to engage in the business of branch banking or to open, commence or establish any, or transact business as, branch banks, offices or agencies other than those branch banks, offices and agencies which are now authorized in this Territory, or which are within one hundred (100) miles of the person's principal office.

H. If the rights conferred by a certificate of authority have not been exercised within six months from the

date of its issuance, they shall lapse and be void, unless the Board shall by affirmative action, in response to a written application for an extension of time timely filed, extend them for a further period of time not to exceed one year from the date of the first issuance of the certificate.

SECTION 3.222 MEETINGS OF STOCKHOLDERS; VOTING; PROXIES

Stockholders
meetings.

A. Regular meetings of stockholders shall be held annually on the second Tuesday of July in each year and at such additional times as the by-laws direct, at such place as may be designated by the by-laws. No business shall be transacted at a special meeting which is not specified in the notice thereof or necessary or proper in connection with or incidental to the business specified. The holders of a majority of the outstanding voting shares or their authorized representatives shall constitute a quorum. In the absence of a quorum a meeting may be adjourned from time to time without notice to the stockholders.

Proxy.

B. At all of the meetings of the stockholders each share shall be entitled to one vote, and any stockholder may vote by proxy in writing signed by him.

SECTION 3.223 DIRECTORS

Terms and
residence
of directors.

A. The affairs of every bank incorporated under this act shall be managed by not less than three (3) directors who shall be elected by the stockholders and hold office for one year, and until their successors are elected and have qualified. A majority of the Board of Directors shall be bona fide residents of the Territory of Alaska and a majority of such board shall constitute a quorum for the transaction of business.

B. In the first instance the directors shall be elected at the meeting held before the bank is authorized to do business by the Board and afterwards at the annual meetings of the stockholders, to be held on the second Tuesday in July in each year. If, for any reason, no election is held at that time, it may be held at an adjourned meeting or at a subsequent meeting called for that purpose, of which due notice shall be given as may be provided in the by-laws of such bank.

C. Every director shall be a bona fide stockholder, and be the owner of shares of the capital stock of the par value of One Thousand Dollars (\$1,000.00), except when the capital stock of the bank is only Fifteen Thousand Dollars (\$15,000.00), in which latter case it shall not be required that a director hold more than Five Hundred Dollars (\$500.00) worth of stock at par. Director must be stockholder.

D. Each director shall take an oath that he will faithfully and honestly perform the duties of such office and will not violate or permit to be violated any provisions of this Act. Such oath shall be transmitted to the Board and filed in its office. Oath.

E. Vacancies in the Board of Directors shall be filled by the Board, and the directors so appointed shall hold office until the next election or until their successors are elected and have qualified.

SECTION 3.224 AUTHORITY TO DECLARE DIVIDENDS

The directors of any bank transacting business in the Territory of Alaska may declare a dividend out of the net profits of the bank after providing for all losses, bad debts, expenses, interest and taxes accrued or due from such bank, but before any such dividend is declared not less than one-fifth of the net profits for the period Conditions for declaring dividends.

covered by such dividend, shall be carried to a surplus until such surplus shall amount to twenty-five (25%) per cent of the capital stock of such bank and in case of banks having a capital stock of less than Forty Thousand Dollars (\$40,000.00), until such surplus shall amount to Ten Thousand Dollars (\$10,000.00).

In arriving at the net profits out of which dividends may be declared by the directors of any bank, neither interest accrued but not collected nor any debt or demand upon which interest is due and uncollected for a period of six months, unless the same are well secured and in process of collection, shall be considered, but all such debts or demands shall be classified as bad debts.

SECTION 3.225 ACCOUNTING REQUIREMENTS

Record of
stockholders.

A book shall be provided by every bank in which shall be entered the name and residence of the stockholders thereof, the number of shares held by each, the time when such persons became stockholders, and, also, all transfers of stock, stating the time when made, the number of shares, and by whom transferred. In all actions, suits and proceedings, said book shall be prima facie evidence of the facts therein stated. A list of the stockholders shall be kept posted in the bank office showing the number of shares held by each stockholder of record.

SECTION 3.226 DEPOSIT INSURANCE

A territorial bank is authorized to do any act necessary to obtain insurance of its deposits by the United States or any agency thereof.

SECTION 3.227 REPORT UPON INACTIVE DEPOSIT ACCOUNTS

It shall be the duty of every bank in the Territory of Alaska, upon request, to report to the Board, the name of every person not known to be living who appears by the records of a bank to have a sum of money on deposit therein, together with the amount of such deposit, provided this section shall apply only to deposits made ten years or more prior to the making of such report and which may not have been added to, or reduced by withdrawal; and it is hereby made the duty of the executive officer of such bank, upon request, to furnish such report. The Board shall then proceed concerning such deposits, as provided in Sections 57-8-1 through 57-8-9, Alaska Compiled Laws Annotated, 1949.

Report of
inactive
accounts
to Board.

TITLE 3. LIQUIDATION, DISSOLUTION AND REORGANIZATION

SECTION 3.401 VOLUNTARY LIQUIDATION AND DISSOLUTION

Any bank or banking corporation organized under this act, may dissolve and disincorporate after having satisfied the Board that all of its depositors have been paid in full, and that all other liabilities existing against such bank or banking corporation, have been paid.

Payment
to depositors.

SECTION 3.402 BOARD IN POSSESSION

At any time after it is disclosed that the capital of a bank is impaired, the Board may, in lieu of exercising the powers hereinbefore designated, take immediate charge of the assets of such bank and make application to the district court in the division where the bank is located for the appointment of a receiver who shall take

Receiver
appointment.

charge of and wind up the affairs of such bank. The receiver shall, upon the order of the district court, at the request of the Board, sell or compound all bad debts or doubtful debts due the bank and sell all other property of such bank, and shall, if necessary to pay the debts of such bank, enforce the individual liability of the stockholders; provided, that the judge of the district court to whom application for the appointment of a receiver is made may, in his discretion, appoint any person whom the holders of more than fifty (50%) per cent of the claims against such bank may agree upon in writing; and provided, further, that such creditors so agreeing shall have the right to contract with the person whom they may name as to the compensation and charges to be by him received for liquidating the affairs of such bank; and provided, further, that if any bank shall have had all or any portion of its deposits insured by the Federal Deposit Insurance Corporation, that corporation shall be appointed receiver, to serve without bond.

Discretion
of court
to appoint.

SECTION 3.403 SUBROGATION OF RIGHTS OF DEPOSITORS

The right of any agency of the United States insuring deposits to be subrogated to the rights of depositors upon payment of their claim shall not be less extensive than the law of the United States requires as a condition of the authority to issue such insurance or make such payment.

TITLE 4. PROHIBITED PRACTICES; SANCTIONS SECTION 3.501 UNAUTHORIZED CONDUCT OF BANKING BUSINESS

It shall be unlawful for any unauthorized person to engage in the business of receiving deposits, discounting evidences of indebtedness or receiving money for trans-

Unauthorized
conduct.

mission, to represent that he is, or is acting for, a bank, or to use an artificial or corporate name which purports to be or suggests that it is the name of a bank.

SECTION 3.502 UNAUTHORIZED ASSUMPTION OF LIABILITY

Except as expressly permitted in this Act, a territorial bank shall not assume liability as an insurer or as a guarantor or indorser of any security instrument or obligation in which or with respect to which it has no property interest. Limitation as an insurer.

SECTION 3.503 RECEIPT OF DEPOSITS WHILE INSOLVENT

The directors, officers, or employees of any bank who shall fraudulently receive any deposit, knowing that such bank is insolvent, shall be deemed guilty of a felony and punished, upon conviction thereof, by a fine not exceeding Five Thousand Dollars (\$5,000.00) or by imprisonment in the penitentiary not exceeding three years, or both. Penalty for receiving deposits when insolvent.

SECTION 3.504 TRANSFER OF BANK'S PROPERTY TO PREFER CREDITOR, VOID

Every transfer of a bank's property, money, bullion, gold dust, exchange or assets, made by any bank in this Territory after it shall have become insolvent within the spirit of this act, with a view of preference of one creditor over another, or to prevent the equal distribution of its property and assets among its creditors, shall be void. Equal distribution of assets.

SECTION 3.505 UNLAWFUL DECEIT OF BOARD OR ITS EMPLOYEES

Deceit
of Board.

Any person or persons who shall wilfully and knowingly subscribe to, or make or cause to be made any false statement, or enter any false figures, statements, or entry in the books of any bank or corporation transacting a banking business in this Territory, or shall knowingly subscribe to, make or circulate any false report or statement about the condition of any bank or banking corporation within the Territory of Alaska, with intent to deceive the Board, or any persons authorized to examine into the affairs of said bank or corporation, shall be imprisoned in the penitentiary for not less than one nor more than five years.

SECTION 3.506 UNLAWFUL FAILURE TO TRANSMIT REPORTS REQUIRED BY BOARD

Penalty
for failure
to transmit
reports.

Every bank which fails to make, transmit and publish any report required under Section 2.109 shall be subject to a penalty of Ten Dollars (\$10.00) per day for each day's delay after the period specified in said section: Provided, that any bank shall be deemed to have transmitted said statement to the said Board on and after the day when said bank shall have deposited the same in a United States post office in any city or town in the Territory of Alaska, properly addressed to said Board, postage prepaid, and registered if such post office be a registry office.

SECTION 3.507 UNLAWFUL FALSE REPORT TO BOARD

False
report
to Board.

Any person who shall certify and subscribe any report required herein which shall be wilfully false in any

material effect shall be guilty of a misdemeanor, and upon conviction, shall be punished by a fine of not more than Five Thousand Dollars (\$5,000.00), or by imprisonment in the Federal jail for not more than one year, or both.

SECTION 3.508 SLANDER AND LIBEL OF BANK

Any person who shall wilfully and maliciously make, circulate or transmit to another or other, any statement, rumor or suggestion, written, printed or by word of mouth, which is directly or by implication derogatory to the financial condition or affects the solvency or financial standing of any bank or trust company doing business in the Territory of Alaska, or who shall counsel, aid, procure or induce another to start, transmit or circulate any such statement or rumor, shall be guilty of a felony, and upon conviction thereof, shall be punished by a fine of not more than five thousand dollars or by imprisonment for a term of not more than five years, or both.

SECTION 3.509 PENALTY

Any person or persons, company or corporation, or any of the officers, servants, agents or employees of any such person, company or corporation, who shall violate any provision of this act for which no specific penalty is otherwise provided, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than Five Thousand Dollars (\$5,000.00) or by imprisonment in a federal jail in the Territory of Alaska for a period of not more than one year or both; and in the case of a corporation, by a fine of not more than Five Thousand Dollars (\$5,000.00).

SECTION 3.510 INJUNCTION

Whenever a violation of this Act by a bank or an officer, director or employee thereof is threatened or

impending and will cause substantial injury to the institution or to the depositors, creditors, or stockholders thereof, the United States District Court of the judicial division in which the bank is situated shall, upon the suit of the Board, issue an injunction restraining such violation.

TITLE 5.

Emergency
clause.

SECTION 3.601 EMERGENCY DECLARED

An emergency is hereby declared to exist and this act shall be in full force and effect from and after the date of its passage and approval.

Approved March 26, 1951.

CHAPTER 130

AN ACT

[S. B. 28]

To provide for the payment of deficiencies and other sundry claims against the Territory; to authorize the Territorial Treasurer to waive the provisions of Sec. 33-3-111 to 33-3-120 inclusive ACLA 1949, providing for payment of bounties on wolves and coyotes, appropriating funds therefor; fixing time for payment of territorial warrants; and declaring an emergency.

Be it enacted by the Legislature of the Territory of Alaska:

Section 1. The following sums of money, or so much thereof as may be necessary respectively, are hereby appropriated for the objects and purposes hereinafter specified out of monies in the General Fund, to-wit:

· BOUNTY CLAIMS

Wolf and Coyote Bounty Claims
lacking required certification