

adjudication shall not affect the validity of the act as a whole, or any section, provision, or part thereof not adjudged invalid or unconstitutional.

Passed the House March 6, 1931.

Passed the Senate February 27, 1931.

Approved by the Governor March 21, 1931.

CHAPTER 126.

[H. B. 194.]

CONSOLIDATION OF BANKS AND TRUST COMPANIES.

AN ACT relating to the consolidation of banks, trust companies and national banking associations; declaring the procedure therefor; defining certain terms; defining the duties of certain officers in connection therewith; providing for the transfer and vesting of property rights in the consolidated bank; providing for and regulating the succession of the consolidated bank to all offices or appointments of the banks consolidating with it as executor, administrator, trustee or other fiduciary; providing for the liquidation of shares of stockholders dissenting.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. For the purposes of this act:

Definitions.

The term "bank" shall mean a bank or a bank and trust company organized under the laws of the State of Washington.

Bank.

The term "trust company" shall mean a trust company authorized under the laws of the State of Washington.

Trust company.

The term "association" shall mean a national banking association organized under the laws of the United States of America.

Association.

The term "consolidated bank" shall mean the bank, trust company or association under whose charter the consolidation is effected.

Consolidated bank.

The term "supervisor of banking" shall mean the supervisor of banking of the State of Washington.

Supervisor of banking.

Comptroller. The term "comptroller" shall mean the comptroller of the currency of the United States of America.

Consolidation authorized. SEC. 2. Any bank or trust company may, with the written approval of the supervisor of banking, be consolidated with another bank, trust company or association located in the same county, city or town under the charter of either, upon such terms and conditions as may lawfully be agreed upon by a majority of the board of directors of each bank, trust company or association participating in or proposing to participate in such consolidation.

Shareholders to ratify. SEC. 3. Before any agreement to consolidate entered into by the board of directors of any bank, trust company or association with any other bank, trust company or association shall be valid it shall be ratified by the affirmative vote of the shareholders of each such bank, trust company or association owning two thirds of the issued and outstanding capital stock of such bank, trust company or association at a meeting of the shareholders thereof duly called for that purpose.

Shareholders' meeting, notice of. SEC. 4. Notice of any meeting of the shareholders of any bank, trust company or association called for the purpose of confirming, ratifying or rejecting any agreement for consolidation with any other bank, trust company or association, unless notice of such meeting is waived in writing by all the shareholders of such bank, trust company or association, shall state the time and place of holding such meeting and the purpose for which it is called. A copy of such notice shall be sent by registered mail to each shareholder of record at least ten days prior to such meeting. *Provided, however,* That notice given by any association in the manner required by the Acts of Congress relating to the consolidation of such associations with state banks and

trust companies shall be deemed a compliance by such association with the requirements of this act relating to notice.

SEC. 5. The capital stock of the consolidated bank shall not be less than that required under existing laws of the State of Washington for the organization of a bank in the city or town where such consolidated bank is located, nor shall such consolidated bank engage in trust business if its capital be less than that required by existing laws to incorporate a trust company to be located in such city or town.

Capital
stock.

SEC. 6. Whenever any bank, trust company or association shall be consolidated with any other bank, trust company or association, the rights, interests and franchises of any bank, trust company or association joining in or party to such consolidation in and to every species of property, real, personal and mixed and choses in action thereto belonging, shall be deemed transferred to and vested in the consolidated bank without any deed, endorsement or other instrument of transfer, and the consolidated bank shall take, hold and enjoy the same and all rights of property, franchise and interests in the same manner and to the same extent as the same were held by such bank, trust company or association before consolidation.

Rights
transferred.

SEC. 7. The rights of creditors of a bank, trust company or association consolidated with another bank, trust company or association shall not be impaired by such consolidation, and all indebtedness and obligations, disclosed and undisclosed, of the bank, trust company or association consolidating shall be deemed to have been assumed by the consolidated bank, and any creditor of a bank, trust company or association joining in a consolidation shall have the same rights, remedies and procedure

Rights of
creditors.

against the consolidated bank for the collection or enforcement of his claim that he would have had against the bank, trust company or association before consolidation.

Trust
business,
succeeds.

SEC. 8. Whenever any bank, trust company or association shall consolidate with another bank, trust company or association the consolidated bank, if authorized to do trust business in the State of Washington, shall succeed to all rights, offices, authorities and appointments of the bank, trust company or association consolidating into or with it, as trustee, executor, administrator or in any other fiduciary capacity and shall execute the powers, duties, authorities and trusts pertaining thereto, and therein shall be vested with the same power and authority as the bank, trust company or association consolidated.

Right to
court con-
firmation.

SEC. 9. If any bank, trust company or association consolidating with another bank, trust company or association shall have been designated, named or nominated in any written instrument as executor, trustee or other fiduciary, and such designation or nomination require confirmation by any court, then the consolidated bank shall have the same right to be confirmed in such office, appointment or trust as the bank, trust company or association therein mentioned would have had but for such consolidation. *Provided, however,* That nothing herein shall be construed as requiring any court to confirm such consolidated bank in any office, appointment or trust, or as preventing any court from removing such consolidated bank from any office, appointment or trust to which it has succeeded by virtue of such consolidation, if such court shall deem such consolidated bank incapable of or disqualified from exercising such office, appointment or trust, or that its appointment to, succession to, or continuance in such office, appointment or trust would not be for the best

Revocation
of trust.

interest of the estate, interest or trust to which such office, appointment or trust pertains.

SEC. 10. Whenever any bank or trust company shall be consolidated with another bank, trust company or association under the charter of such other bank, trust company or association, the charter of the bank or trust company so consolidating under the charter of another bank, trust company or association shall be deemed revoked, and the supervisor of banking shall revoke any certificate of authority theretofore issued to it to do business and such certificate of authority shall not thereafter be revived or renewed.

Charter
revoked.

SEC. 11. Certified copies of the minutes of all meetings, proceedings and agreements entered into by the contracting parties in such consolidations shall be filed with the supervisor of banking.

Copies of
proceedings,
filed.

SEC. 12. Nothing in this act shall be construed as authorizing the consolidation of any bank or trust company with any national banking association, or the transfer to or vesting in the consolidated bank of any of the rights, interests, franchises and property of a national banking association, or as authorizing the employment against a consolidated bank consolidated under the charter of a national banking association of any remedy or procedure, when such consolidation, transfer, vesting or employment would be in contravention of the laws of the United States.

No consol-
idation in
violation of
U. S. laws.

SEC. 13. Whenever any consolidation of a bank or trust company with a bank, trust company or association has been effected and such consolidation has been approved as to any bank or trust company participating in such consolidation by the supervisor of banking, and as to any association participating therein by the comptroller, any shareholder of any bank or trust company participating in such con-

Dissenting
shareholder.

Notice of
dissent.

Value of
shares,
appraisal.

Appeal to
supervisor.

Cost of
appraisal.

solidation who has not voted for such consolidation may, within twenty days from the date of the approval thereof by the supervisor of banking, give notice in writing to the directors of the consolidated bank that he dissents from the plan of consolidation as adopted and approved, whereupon he shall be entitled to receive the value of the shares so held by him, to be ascertained by an appraisal made by a committee of three persons, one to be selected by the shareholder and one to be selected by the consolidated bank and the third to be selected by the two first chosen. In case the value as determined by such committee shall not be satisfactory to such shareholder, he may, within five days after being notified of the value as determined by such appraisal, appeal to the supervisor of banking who shall cause a reappraisal to be made by such committee, or by such other appraisers as he may select, and such reappraisal shall be conclusive and binding upon both the shareholder and the consolidated bank.

The consolidated bank shall pay the cost of appraisal and of the reappraisal if the reappraisal shall fix a value on said shares greater than the appraisal, otherwise said appealing shareholder shall pay the cost of such reappraisal. The amount of the value of such shares as determined by the appraisal or reappraisal if such reappraisal shall fix a value greater than the appraisal, shall be deemed a debt due from the consolidated bank to such shareholder and the certificate or certificates for shares held by such shareholder shall be immediately surrendered to the consolidated bank.

Passed the House February 28, 1931.

Passed the Senate March 10, 1931.

Approved by the Governor March 21, 1931.