

and hospital care and service and transportation under the provisions of this section.

Passed the House February 8, 1943.

Passed the Senate March 8, 1943.

Approved by the Governor March 19, 1943.

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## CHAPTER 187.

[ H. B. 134. ]

### BANKS AND TRUST COMPANIES.

AN ACT relating to banks and trust companies, prohibiting the purchase or acquisition by a bank or trust company of its own stock, save under certain conditions; authorizing loans or discounts on the security of the capital stock of other banks or trust companies with restrictions thereon; amending section 36, chapter 80 of the Laws of 1917, as amended by section 5, chapter 72 of the Laws of 1929, as amended by section 9, chapter 42 of the Laws of 1933 (section 3243 of Remington's Revised Statutes).

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

Amendments. SECTION 1. That section 36, chapter 80 of the Laws of 1917, as amended by section 5, chapter 72 of the Laws of 1929, as amended by section 9, chapter 42 of the Laws of 1933 (section 3243 of Remington's Revised Statutes), be amended to read as follows:

Stock  
personal  
property.

Bank stock  
net security.

Section 36. The shares of stock of every bank and trust company shall be deemed personal property. No such corporation shall hereafter make any loan or discount on the security of its own capital stock except as hereinafter provided or otherwise permitted by law, nothing herein contained shall authorize the purchase by any such bank or trust company for its own account of any shares of stock of any corporation, except a Federal Reserve Bank of which such corporation shall become a member.

and then only to the extent required by such Federal Reserve Bank: *Provided*, That any such bank or trust company may purchase, acquire and hold shares of stock in any other corporation which shares have been previously pledged as security to any loan or discount made in good faith and such purchase shall be necessary to prevent loss upon a debt previously contracted in good faith and stock so purchased or acquired shall be sold at public or private sale or otherwise disposed of within two years from the time of its purchase or acquisition; nor be the purchaser or holder of any such shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; in which case the stock so purchased or acquired shall be sold at public or private sale, or otherwise disposed of, within six months from the time of its purchase or acquisition. Banks and trust companies are authorized to make loans on the security of the capital stock of a bank or trust company other than the lending corporation.

Exception.

Loans on  
stock of  
other banks.

Passed the House February 15, 1943.

Passed the Senate March 8, 1943.

Approved by the Governor March 19, 1943.