

Every industrial loan company shall also pay to the secretary of state or county auditor for filing any instrument with him the same fees as are required of general corporations for filing corresponding instruments, and also the same license fees as are required of general corporations.

To pay secretary of state and county auditor same fees as general corporations.

Passed the House February 8, 1929.

Passed the Senate February 20, 1929.

Approved by the Governor March 1, 1929.

CHAPTER 72.

[H. B. 171.]

BANKING AND TRUST BUSINESS.

AN ACT relating to banking and trust business and amending Sections 12, 19, 22, 24 and 36 of Chapter 80 of the Laws of 1917 (Sections 3219, 3226, 3229 and 3231 of Remington's 1927 Supplement, and Section 3243 of Remington's Compiled Statutes; Sections 262, 269, 272 and 274 of Pierce's 1926 Supplement; and Section 286 of Pierce's 1926 Code).

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

SECTION 1. That section 12 of chapter 80 of the Laws of 1917, as amended by section 1 of chapter 115 of the Laws of 1923 (section 3219, Remington's 1927 Supplement; section 262, Pierce's 1926 Supplement) be amended to read as follows:

Amends § 3219 Rem. Comp. Stat., 1927 Sup.; § 262 Pierce's 1926 Sup.

Section 12. The supervisor of banking shall collect in advance the following fees:

Fees collected in advance.

For filing application for certificate of authority and attendant investigation as outlined in the law, the cost thereof, but not less than.....\$100.00 (If the cost of such attendant examination shall exceed \$100.00, the applicant shall pay such excess when ascertained by the supervisor of banking.)

Schedule.

For filing application for certificate conferring trust powers upon a state or national bank..... 100.00

For filing articles of incorporation, or amendments thereof, or other certificates required to be filed in his office... 10.00

For issuing a certificate of increase or decrease of capital stock	10.00
For issuing each certificate of authority	10.00
For furnishing copies of papers filed in his office, per folio	.20

Every bank or trust company shall also pay to the secretary of state or county auditor for filing any instrument with him the same fees as are required of general corporations for filing corresponding instruments, and also the same license fees as are required of general corporations.

Also pay same fees as general corporations.

SEC. 2. That section 19 of chapter 80 of the Laws of 1917, as amended by section 2 of chapter 115 of the Laws of 1923 (section 3226, Remington's 1927 Supplement; section 269, Pierce's 1926 Supplement) be amended to read as follows:

Amends § 3226 Rem. Comp. Stat., 1927 Sup.; § 269 Pierce's 1926 Sup.

Section 19. When authorized by the supervisor of banking, as hereinafter provided, five or more natural persons, citizens of the United States, may incorporate a bank or trust company in the manner herein prescribed. No bank shall incorporate for less amount nor commence business unless it have a paid-in capital as follows:

Incorporation authorized.

Paid-in capital required for banks.

In cities having a population of less than 5,000.....	\$25,000.00
In cities having a population of 5,000 and less than 25,000	50,000.00
In cities having a population of 25,000 and less than 100,000	100,000.00
In cities having a population of 100,000 or more.....	150,000.00

Provided, That on request of any persons desiring to incorporate a bank in a city having a population of 25,000 or over, the supervisor of banking shall make an order defining the boundaries of the central business district of such city, which shall include the district in which is carried on the principal retail, financial and office business of such city and banks may be incorporated with a paid-up capital of not less than \$50,000 to be located in such city outside of the central business district of such city

Incorporation in cities of 25,000 or more population.

Central business district defined.

\$50,000 paid-up capital required.

as defined by the order of the supervisor of banking, which shall be stated in its articles of incorporation, but any such bank which shall be hereafter incorporated to be located outside such central business district, which shall thereafter change its location into such central business district without increasing its capital stock and surplus to the amount required by then existing laws to incorporate a bank within such central business district, shall forfeit its charter and right to do business. Any such bank incorporated to be located outside the central business district of such city shall not receive deposits to exceed in the aggregate ten times the amount of its paid-up and unimpaired capital stock and surplus. The supervisor of banking may from time to time change the boundaries of said central business district, if, in his judgment, such action is proper.

Amount of deposits permitted.

No trust company shall incorporate for a less amount, nor commence business unless it has a paid-in capital as follows:

Trust companies paid-in capital required.

In cities, villages or communities having a population of less than 25,000.....	\$50,000.00
In cities having a population of 25,000 and less than 100,000	100,000.00
In cities having a population of 100,000 or more.....	200,000.00

In addition to the foregoing, each bank and trust company shall before commencing business have subscribed and paid in to it in the same manner as is required for capital stock, an additional amount equal to at least ten per cent of the capital stock above required. Such additional amount shall be carried in the undivided profit account and may be used to defray organization and operating expenses of the company. Any sum not so used shall be transferred to the surplus fund of the company before any dividend shall be declared to the stockholders.

Organization and operation expense.

Amends
§ 3229 Rem.
Comp. Stat.,
1927 Sup.;
§ 272
Pierce's
1926 Sup.

SEC. 3. That section 22 of chapter 80 of the Laws of 1917, as amended by section 5 of chapter 115 of the Laws of 1923 (section 3229, Remington's 1927 Supplement; section 272, Pierce's 1926 Supplement) be amended to read as follows:

Bank super-
visor to
investigate
application.

Section 22. When articles of incorporation complying with the foregoing requirements have been received by the supervisor of banking, together with the fees required by law, he shall ascertain from the best source of information at his command and by such investigation as he may deem necessary, whether the character, responsibility and general fitness of the persons named in such articles are such as to command confidence and warrant belief that the business of the proposed bank or trust company will be honestly and efficiently conducted in accordance with the intent and purpose of this act, whether the resources in the neighborhood of such place and in the surrounding country afford a reasonable promise of adequate support for the proposed bank and whether the proposed bank or trust company is being formed for other than the legitimate objects covered by this act. After the supervisor shall have satisfied himself of the above facts, and, within sixty days after the receipt of such articles of incorporation for examination, he shall endorse upon each of the quadruplicates thereof, over his official signature, the word "Approved," or the word "Refused," with the date of such endorsement. In case of refusal he shall forthwith return one of the quadruplicates, so endorsed, to the person from whom the articles were received, which refusal shall be conclusive, unless the incorporators, within ten days of the issuance of such notice of refusal, shall appeal to the superior court of Thurston county, which appeal shall be triable *de novo* in said court: *Provided*, That a copy, certified by the supervisor of banking, of all documents and papers relating to such appli-

"Approved"
or "refused"
by bank
supervisor.

Appeal to
court
authorized.

cation filed with, received or obtained by the supervisor of banking and/or the division of banking shall be deemed received, admitted and considered as evidence by the court in such trial *de novo* in said court. In case of approval the supervisor shall forthwith give notice thereof to the proposed incorporators and file one of the quadruplicate articles of incorporation in his own office, and shall transmit another quadruplicate to the county auditor of the county in which such bank or trust company is located, and another quadruplicate to the secretary of state, and the fourth quadruplicate to the incorporators. Upon receipt from the proposed incorporators of the same fees as are required for filing and recording other articles of incorporation the secretary of state and county auditor shall file such articles in their respective offices, and the secretary of state shall record the same. Upon the filing of articles of incorporation in quadruplicate, approved as aforesaid by the supervisor of banking, with the secretary of state and county auditor, all persons named therein and their successors shall become and be a corporation, which shall have the powers and be subject to the duties and obligations prescribed by this act, and whose existence shall continue for the period of fifty years from the date of the filing of such articles, unless sooner terminated pursuant to law; but such corporation shall not transact any business except as is necessarily preliminary to its organization until it has received a certificate of authority as provided herein.

Filing of articles with secretary of state.

Before any bank or trust company shall be authorized to do business, the supervisor of banking shall be satisfied that such corporation has a paid-in capital in the amount fixed by its articles of incorporation and by this act, that the requisite surplus or reserve fund has been accumulated or paid in cash, and that it has in good faith complied with

Bank supervisor to be satisfied as to paid-in capital and reserve.

all the requirements of law and fulfilled all the conditions precedent to commencing business imposed by this act. When so satisfied and within ninety days after the date upon which such proposed articles of incorporation were filed with him for examination, but in no case after the expiration of that period, the supervisor of banking shall issue under his hand and official seal, in quadruplicate, a certificate of authority for such corporation. The certificate shall state that the corporation therein named has complied with the requirements of law, that it is authorized to transact at the place designated in its articles of incorporation the business of a bank or trust company, or both, as the case may be. One of the quadruplicate certificates shall be transmitted by the supervisor to the corporation and the other three shall be filed by the supervisor in the same offices where the articles of incorporation are filed and shall be attached to said articles of incorporation, and the one filed with the secretary of state shall be recorded.

Bank supervisor to issue certificate of authority.

SEC. 4. That section 24 of chapter 80 of the Laws of 1917, as amended by section 6 of chapter 115 of the Laws of 1923 (section 3231, Remington's 1927 Supplement; section 274, Pierce's 1926 Supplement) be amended to read as follows:

Amends § 3231 Rem. Comp. Stat., 1927 Sup.; § 274 Pierce's 1926 Sup.

Section 24. Upon the issuance of a certificate of authority to a trust company, the persons named in the articles of incorporation and their successors shall thereupon become a corporation and shall have power:

1. To execute all the powers and possess all the privileges conferred on banks.

2. To act as fiscal or transfer agent of the United States or of any state, municipality, body politic or corporation and in such capacity to receive and disburse money.

Powers enumerated same as banks.

Fiscal or transfer agent.

3. To transfer, register and countersign certificates of stock, bonds or other evidences of indebtedness and to act as attorney in fact or agent of any corporation, foreign or domestic, for any purpose, statutory or otherwise. To transfer stocks, bonds, etc.
4. To act as trustee under any mortgage, or bonds, issued by any municipality, body politic, or corporation, foreign or domestic, or by any individual, firm, association or partnership, and to accept and execute any municipal or corporate trust. Trustee under mortgage.
5. To receive and manage any sinking fund of any corporation upon such terms as may be agreed upon between such corporation and those dealing with it. Receive sinking fund.
6. To collect coupons on or interest upon all manner of securities, when authorized so to do, by the parties depositing the same. Collect coupons.
7. 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 and to transact any business in relation thereto. Married women trusts.
8. To act as receiver or trustee of the estate of any person, or to be appointed to any trust by any court, to act as assignee under any assignment for the benefit of creditors of any debtor, whether made pursuant to statute or otherwise, and to be the depository of any moneys paid into court. Receivers or trustees of estates.
9. To be appointed and to accept the appointment of executor of, or trustee under, the last will and testament, or administrator with or without the will annexed, of the estate of any deceased person and to be appointed and to act as guardian of the estate of lunatics, idiots, persons of unsound mind, minors and habitual drunkards; *Provided, however,* The power hereby granted to trust companies to act as guardian or administrator, with or without the will annexed, shall not be construed to deprive par-
- Executor or trustee under will.

Advertising to furnish legal advice or prepare wills.

ties of the prior right to have issued to them letters of guardianship, or of administration, as such right now exists under the law of this state; and *Be it further provided*, That no trust company or other corporation which advertises that it will furnish legal advice, construct or prepare wills, or do other legal work for its customers, shall be permitted to act as executor, administrator or guardian; and any trust company or other corporation whose officers or agents shall solicit legal business or personally solicit the appointment of such trust company or corporation as executor, administrator or guardian shall be ineligible for a period of one year thereafter to be appointed executor, administrator or guardian in any of the courts of this state.

Gross misdemeanor to advertise to furnish legal advice or prepare wills.

Any trust company or other corporation which advertises that it will furnish legal advice, construct or prepare wills, or do other legal work for its customers, and any officer, agent or employee of any trust company or corporation who shall solicit legal business or personally solicit the appointment of such trust company or corporation as executor, administrator or guardian shall be guilty of a gross misdemeanor.

Trust power of whatever nature.

10. To execute any trust or power of whatever nature or description that may be conferred upon or entrusted or committed to it by any person or by any court or municipality, foreign or domestic corporation and any other trust or power conferred upon or entrusted or committed to it by grant, assignment, transfer, devise [devise], bequest or by any other authority and to receive, take, use, manage, hold and dispose of, according to the terms of such trusts or powers any property or estate, real or personal, which may be the subject of any such trust or power.

Execute trusts of every description.

11. Generally to execute trusts of every description not inconsistent with law.

12. To purchase, invest in and sell promissory notes, bills of exchange, bonds, debentures and mortgages and when moneys are borrowed or received for investment, the bonds or obligations of the company may be given therefor, but no trust company hereafter organized shall issue such bonds: *Provided*, That no trust company which receives money for investment and issues the bonds of the company therefor shall engage in the business of banking or receiving of either savings or commercial deposits: *And, Provided*, That it shall not issue any bond covering a period of more than ten years between the date of its issuance and its maturity date: *And, Provided further*, That if for any cause, the holder of any such bond upon which one or more annual rate installments have been paid, shall fail to pay the subsequent annual rate installments provided in said bond such holder shall, on or before the maturity date of said bond, be paid not less than the full sum which he has paid in on account of said bond.

SEC. 5. That section 36 of chapter 80 of the LAWS of 1917 (section 3243, Remington's Compiled Statutes; section 286, Pierce's 1926 Code) be amended to read as follows:

Amends
§ 3243 Rem.
Comp. Stat.,
1927 Sup.;
§ 286
Pierce's
1926 Code.

Section 36. The shares of stock of every bank and trust company shall be deemed personal property. No such corporation shall make any loan or discount on the security of its own capital stock, or 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, and stock so purchased or acquired shall be sold at public or private sale or otherwise disposed of, within ninety days from the time of its purchase or acquisition. Nor shall any such corporation subscribe for or purchase the stock of any other banking house or trust company, or of any

Stock
deemed
personal
property.

Loan on
own stock
or ownership
of stock in
other
corporations
prohibited.

domestic or foreign corporation of any character, 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 such bank and/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.

Passed the House February 8, 1929.

Passed the Senate February 20, 1929.

Approved by the Governor March 1, 1929.

CHAPTER 73.

[S. H. B. 94.]

EXAMINATION OF BANKS, TRUST COMPANIES AND INDUSTRIAL LOAN COMPANIES.

AN Act relating to the examination of banks, mutual savings banks and trust companies, industrial loan companies, amending Section 8 of Chapter 80 of the Laws of 1917, as amended by Chapter 73 of the Laws of 1921.

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

SECTION 1. That section 8 of chapter 80 of the Laws of 1917, page 273, as amended by chapter 73 of the Laws of 1921, page 211 (section 3215 of Remington's Compiled Statutes) be amended to read as follows:

Section 8. The supervisor of banking shall collect from each bank, mutual savings bank, trust company or industrial loan companies for each examin-

Amends
§ 3215, Rem.
Comp. Stat.

Fees for
examination
by banking
supervisor.