

(2) Section 43.22.130, chapter 8, Laws of 1965 and RCW 43.22.130;

(3) Section 43.22.140, chapter 8, Laws of 1965 and RCW 43.22.140;

(4) Section 43.22.150, chapter 8, Laws of 1965 and RCW 43.22.150;

(5) Section 43.22.160, chapter 8, Laws of 1965 and RCW 43.22.160;

(6) Section 43.22.170, chapter 8, Laws of 1965 and RCW 43.22.170;

(7) Section 43.22.190, chapter 8, Laws of 1965 and RCW 43.22.190;

(8) Section 43.22.250, chapter 8, Laws of 1965 and RCW 43.22.250; and

(9) Section 43.22.320, chapter 8, Laws of 1965 and RCW 43.22.320.

NEW SECTION. Sec. 12. This 1973 amendatory act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect on July 1, 1973.

Passed the House March 17, 1973.

Passed the Senate April 13, 1973.

Approved by the Governor April 20, 1973.

Filed in Office of Secretary of State April 23, 1973.

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CHAPTER 53

[House Bill No. 423]

ALIEN BANKS--REGULATION

AN ACT Relating to alien banks; amending section 30.40.020, chapter 33, Laws of 1955 as amended by section 6, chapter 136, Laws of 1969 and RCW 30.40.020; amending section 30.04.290, chapter 33, Laws of 1955 as amended by section 1, chapter 20, Laws of 1961 and RCW 30.04.290; adding a new chapter to Title 30 RCW; and prescribing penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Section 1. The purpose of this chapter is to establish a legal and regulatory framework for operation by alien banks in the state of Washington that will:

(1) Create a financial climate which will benefit the economy of the state of Washington;

(2) Provide a well regulated and supervised financial system to assist the movement of foreign capital into Washington state for the support and diversification of the local industrial base;

(3) Assist the development of the economy of the state of Washington without disrupting business relationships of state and federal financial institutions.

NEW SECTION. Sec. 2. For the purposes of this chapter, the following terms shall be defined as follows:

(1) "Alien bank" means a bank organized under the laws of a foreign country and having its principal place of business in that country, the majority of the beneficial ownership and control of which is vested in citizens of countries other than the United States of America.

(2) "Office" means a branch or agency of an alien bank carrying on business in this state pursuant to this chapter.

(3) "Branch" means an office of an alien bank that is exercising the powers authorized by section 11 of this 1973 amendatory act.

(4) "Agency" means an office of an alien bank that is exercising the powers authorized by section 18 of this 1973 amendatory act.

(5) "Bureau" means an alien bank's operation in this state exercising the powers authorized by section 23 of this 1973 amendatory act.

(6) "Supervisor" means the supervisor of banking of the state of Washington.

NEW SECTION. Sec. 3. An alien bank shall not establish and operate an office or bureau in this state unless it is authorized to do so by the supervisor and unless it first complies with all of the provisions of this chapter and then only to the extent expressly permitted by this chapter.

NEW SECTION. Sec. 4. An alien bank shall not be permitted to have more than one office in this state.

NEW SECTION. Sec. 5. An alien bank shall not take over or acquire an existing federal or state-chartered bank, trust company, mutual savings bank, savings and loan association, or credit union or any branch of any such bank, trust company, mutual savings bank, savings and loan association, or credit union in this state; nor shall any designee, officer, agent or employee of an alien bank serve on the board of directors of any federal or state bank, trust company, savings and loan association, or credit union, or the board of trustees of a mutual savings bank.

NEW SECTION. Sec. 6. An alien bank shall not hereafter open an office in this state until it has met the following conditions:

(1) It has filed with the supervisor an application in such

form and containing such information as shall be prescribed by the supervisor.

(2) It has designated the supervisor by a duly executed instrument in writing, its agent, upon whom process in any action or proceeding arising out of a transaction with the Washington office may be served. Such service shall have the same force and effect as if the alien bank were a Washington corporation and had been lawfully served with process within the state. The supervisor shall forward by mail, postage prepaid, a copy of every process served upon him under the provisions of this subdivision, addressed to the manager or agent of such bank at its office in this state.

(3) It has allocated and assigned to its office within this state paid-in capital of not less than two hundred thousand dollars or such larger amounts as the supervisor in his discretion may require.

(4) It has filed with the supervisor a letter from its chief executive officer guaranteeing that the alien bank's entire capital and surplus is and shall be available for all liabilities and obligations of its office doing business in this state.

(5) It has paid the fees required by law and established by the supervisor pursuant to RCW 30.08.095.

(6) It has received from the supervisor his certificate authorizing the transaction of business in conformity with this chapter.

NEW SECTION. Sec. 7. The capital allocated as required in section 6 (3) of this 1973 amendatory act shall be maintained within this state at all times in cash or in supervisor approved interest bearing bonds, notes, debentures, or other obligations of the United States or of any agency or instrumentality thereof, or guaranteed by the United States; or of this state, or of a city, county, town, or other municipal corporation, or instrumentality of this state or guaranteed by this state. Such capital shall be deposited with a bank qualified to do business in and having its principal place of business within this state. Such bank shall issue a written receipt addressed and delivered to the supervisor reciting that such deposit is being held for the sole benefit of the United States domiciled creditors of such alien bank's Washington office and that the same is subject to his order without offset for the payment of such creditors. For the purposes of this section, the term "creditor" shall not include any other offices, branches, subsidiaries, or affiliates of such alien bank. Subject to the approval of the supervisor, reasonable arrangements may be made for substitution of securities. So long as it shall continue business in this state in conformance with this chapter and shall remain solvent, such alien bank shall be permitted to collect all interest and/or income from

the assets constituting such allocated capital.

Should any securities so depreciate in market value and/or quality as to reduce the deposit below the amount required, additional money or securities shall be deposited promptly in amounts sufficient to meet such requirements. The supervisor may make an investigation of the market value and of the quality of any security deposited at the time such security is presented for deposit or at any time thereafter. The supervisor may make such charge as may be reasonable and proper for such investigation.

NEW SECTION. Sec. 8. Every alien bank maintaining an office in this state shall keep the assets of its Washington office entirely separate and apart from the assets of its other operations as though the Washington office was conducted as a separate and distinct entity. Every such alien bank shall keep separate books of account and records for its Washington office and shall observe with respect to such office the applicable requirements of this chapter and the applicable rules and regulations of the supervisor. The United States domiciled creditors of such alien bank's Washington office shall be entitled to priority with respect to the assets of its Washington office before such assets may be used or applied for the benefit of its other creditors or transferred to its general business.

NEW SECTION. Sec. 9. The supervisor may give or withhold his approval of an application by an alien bank to establish an office in this state at his discretion. His decision shall be based on the information submitted to his office in the application required by section 6 of this 1973 amendatory act and such additional investigation as the supervisor deems necessary or appropriate. Prior to granting approval to said application, he shall have ascertained to his satisfaction that all of the following are true:

(1) the proposed location offers a reasonable promise of adequate support for the proposed office;

(2) the proposed office is not being formed for other than legitimate objects;

(3) the proposed officers of the proposed office have sufficient banking experience and ability to afford reasonable promise of successful operation;

(4) the reputation and financial standing of the alien bank is such as to command the confidence and warrant belief that the business of the proposed office will be conducted honestly and efficiently in accordance with the intent and purpose of this chapter, as set forth in section 1 of this 1973 amendatory act;

(5) the principal purpose of establishing such office shall be within the intent of this chapter.

The supervisor shall not grant an application for an office of

an alien bank unless the law of the foreign country under which laws the alien bank is organized permits a bank with its principal place of business in this state to establish in that foreign country a branch, agency or similar operation.

NEW SECTION. Sec. 10. If the supervisor approves the application, he shall notify the alien bank of his approval and shall file certified copies of its charter, certificate or other authorization to do business with the secretary of state and with the recording officer of the county in which the office is to be located. Upon such filing, the supervisor shall issue a certificate of authority stating that the alien bank is authorized to conduct business through a branch or agency in this state at the place designated in accordance with this chapter. Each such certificate shall be conspicuously displayed at all times in the place of business specified therein.

The office of the alien bank must commence business within six months after the issuance of the supervisor's certificate: PROVIDED, That the supervisor for good cause shown may extend such period for an additional time not to exceed three months.

NEW SECTION. Sec. 11. An approved branch of an alien bank may carry on only the following types of activities:

(1) Deposits. (a) The branch may solicit, receive, or accept money or its equivalent on deposit as a regular business from the following customers:

(i) Corporations, partnerships, or other business organizations, the majority of the beneficial ownership of which is owned by persons of a country other than the United States and who are not residents of the United States, and any subsidiary or affiliate owned or controlled by such an organization;

(ii) Corporations organized under the laws of a state other than this state which have not obtained a certificate of authority to transact business in this state pursuant to chapter 23A.32 RCW.

(iii) Natural persons who are citizens of a country other than the United States and are not residents of the United States;

(iv) Any other person, if the deposit is to be transmitted abroad, or is to provide collateral or payments for extensions of credit by the branch, or represents proceeds of collections abroad which are to be used to pay for goods exported or imported or for other direct costs of export/import, or represents proceeds of the extension of credit by the branch;

(v) The government of the country in which the alien bank is incorporated;

(vi) Other banks;

(vii) Any other persons, provided that the aggregate of deposits from such persons shall not exceed twenty percent of the

aggregate of deposits accepted pursuant to this section.

(b) A branch may accept demand deposits, time deposits, and savings deposits from the customers specified in this section only upon the same terms and conditions (including nature and extent of such deposits, withdrawal, and the payment of interest thereon) that banks organized under the laws of this state and insured by the Federal Deposit Insurance Corporation may accept such deposits. Such deposits shall be subject to RCW 30.20.010 through 30.20.035, as now or hereafter amended. The branch shall maintain reserves or minimum available funds in this state for such deposits to the same extent that reserves or minimum available funds must be maintained by banks organized under the laws of this state.

(2) Loans. A branch shall have the power to make loans and guarantee obligations subject to the following limitations:

(a) Customers. Loans or guarantees shall be restricted to the following types of customers:

(i) Corporations, partnerships or other business organizations, the majority of the beneficial ownership of which is owned by persons of a country other than the United States and who are not residents of the United States, and any subsidiary or affiliate owned or controlled by such an organization;

(ii) Corporations organized under the laws of a state other than this state which have not obtained a certificate of authority to transact business in this state pursuant to chapter 23A.32 RCW;

(iii) Natural persons who are citizens of a country other than the United States and are not residents of the United States;

(iv) Persons engaged in the international movement of goods and services.

(b) Purpose. Loans and guarantees may be made only for the following purposes:

(i) With respect to customers specified in subsection (2) (a) (i), (ii), and (iii) of this section, for the financing of the international movement of goods and services and for all operational needs including working capital and short-term operating needs and for the acquisition of fixed assets.

(ii) With respect to customers specified in subsection (2) (a) (iv) of this section, for the financing of the international movement of goods and services, and construction of facilities located and operations conducted outside of this state.

(iii) Nothing herein shall permit a branch to make consumer loans to individuals.

(c) Amount. A branch shall be subject to the same loan limitations that apply to banks organized under the laws of this state; however, the base for computing the applicable loan limitation shall be the entire capital and surplus of the alien bank.

(3) Other activities. A branch of an alien bank in this state shall have the power to carry out these other activities:

(a) Borrow funds from banks and other financial institutions;

(b) Buy and sell foreign exchange;

(c) Receive checks, bills, drafts, acceptances, notes, bonds, coupons, and other securities for collection abroad and collect such instruments in the United States for customers abroad;

(d) Hold securities in safekeeping for, or buy and sell securities upon the order and for the risk of, customers abroad;

(e) Act as paying agent for securities issued by foreign governments or other organizations organized under foreign law and not qualified under the laws of the United States, or any state or the District of Columbia to do business in the United States;

(f) In order to prevent loss on debts previously contracted a branch may acquire shares in a corporation: PROVIDED, That the shares are disposed of as soon as practical but in no event later than two years from the date of acquisition;

(g) Issue letters of credit and create acceptances;

(h) In addition to the powers and activities expressly authorized by this section, a branch shall have the power to carry on such additional activities which are necessarily incidental to the activities expressly authorized by this section.

NEW SECTION. Sec. 12. A branch shall not commence to transact in this state the business of accepting deposits or transact such business thereafter unless it has met the following requirements:

(1) It has obtained federal deposit insurance corporation insurance covering its eligible deposit liabilities within this state, or in lieu thereof, made arrangements satisfactory to the supervisor for maintenance within this state of additional capital equal to not less than ten percent of its deposit liabilities. Such additional capital shall be deposited in the manner provided in section 7 of this 1973 amendatory act.

(2) It holds in this state currency, bonds, notes, debentures, drafts, bills of exchange, or other evidences of indebtedness or other obligations payable in the United States or in United States' funds or, with the approval of the supervisor, in funds freely convertible into United States' funds, in an amount not less than one hundred eight percent of the aggregate amount of liabilities of such alien bank payable at or through its office in this state. When calculating the value of the assets so held, credit shall be given for the amounts deposited pursuant to sections 6(3) and 12(1) of this 1973 amendatory act.

If deposits are not insured by the federal deposit insurance corporation, then that fact shall be disclosed to all depositors

pursuant to rules and regulations of the supervisor.

NEW SECTION. Sec. 13. The supervisor may take possession of the office of an alien bank for the reasons stated and in the manner provided in chapter 30.44 RCW. Upon the supervisor taking such possession of a branch, no deposit liabilities of which are insured by the federal deposit insurance corporation, the amounts deposited pursuant to section 12(1) of this 1973 amendatory act shall thereupon become the property of the supervisor, free and clear of any and all liens and other claims, and shall be held by him in trust for the United States domiciled depositors of the office in this state of such alien bank. Upon obtaining the approval of the superior court of Thurston county, the supervisor shall reduce such deposited capital to cash and as soon as practicable distribute it to such depositors.

If sufficient cash is available, such distribution shall be in equal amounts to each such depositor: PROVIDED, That no such depositor receives more than the amount of his deposit or an amount equal to the maximum amount insured by the federal deposit insurance corporation, whichever is less. If sufficient cash is not available, such distribution shall be on a pro rata basis to each such depositor: PROVIDED, That no such depositor receives more than the maximum amount insured by the federal deposit insurance corporation. If any cash remains after such distribution, it shall be distributed pro rata to those depositors whose deposits have not been paid in full: PROVIDED, That no depositor receives more than the amount of his deposit. For purposes of this section, the term "depositor" shall not include any other offices, subsidiaries or affiliates of such alien bank.

The term "deposit" as used in this section shall mean the unpaid balance of money or its equivalent received or held by the branch in the usual course of its business and for which it has given or is obligated to give credit, either conditionally or unconditionally to a demand, time or savings account, or which is evidenced by its certificate of deposit, or a check or draft drawn against a deposit account and certified by the branch, or a letter of credit or traveler's checks on which the branch is primarily liable.

Claims of depositors and creditors shall be made and disposed of in the manner provided in chapter 30.44 RCW in the event of insolvency or inability of the bank to pay its creditors in this state. The capital deposit of the bank shall be available for claims of depositors and creditors. The claims of depositors and creditors shall be paid from the capital deposit in the following order or priority:

(1) Claims of depositors not paid from the amounts deposited pursuant to section 12 (1) of this 1973 amendatory act;



- (2) Claims of Washington domiciled creditors;
- (3) Other creditors domiciled in the United States; and
- (4) Creditors domiciled in foreign countries.

The supervisor shall proceed in accordance with and have all the powers granted by chapter 30.44 RCW.

NEW SECTION. Sec. 14. (1) Within ninety days after the end of each fiscal year, an accountant, approved by the supervisor, shall examine the books of account of the office of an alien bank and report to the supervisor his opinion of the financial condition of the office as of the last business day of the immediately previous fiscal year. In making such examination, the accountant shall follow the rules and regulations promulgated by the supervisor governing such examination.

(2) The supervisor, deputy supervisor or a bank examiner, without previous notice, shall visit the office of an alien bank doing business in this state pursuant to this chapter at least once in each year and more often if necessary, for the purpose of making a full investigation into the condition of such office, and for that purpose they are hereby empowered to administer oaths and to examine under oath any director or member of its governing body, officer, employee or agent of such alien bank or office. The supervisor shall make such other full or partial examination as he deems necessary. The supervisor shall collect from each alien bank for each examination of the conditions of its office in this state, the estimated actual cost of such examination.

NEW SECTION. Sec. 15. Loans made by an office shall be subject to the laws of the state of Washington relating to usury.

NEW SECTION. Sec. 16. An alien bank may purchase, hold and convey real estate for the following purposes and no other:

(1) Such as shall be necessary for the convenient transaction of its business, including with its banking offices other apartments in the same building to rent as a source of income: PROVIDED, That not to exceed thirty percent of its capital and surplus and undivided profits may be so invested without the approval of the supervisor.

(2) Such as shall be purchased or conveyed to it in satisfaction, or on account of, debts previously contracted in the course of business.

(3) Such as it shall purchase at sale under judgments, decrees, liens or mortgage foreclosures, against securities held by it.

(4) Such as it may take title to or for the purpose of investing in real estate conditional sales contracts.

No real estate except that specified in subsection (1) of this section may be carried as an asset on the corporation's books for a longer period than five years from the date title is acquired

thereto, unless an extension of time be granted by the supervisor.

NEW SECTION. Sec. 17. (1) An alien bank that advertises the services of its branch in the state of Washington shall indicate on all advertising materials whether or not deposits placed with its branch are insured by the federal deposit insurance corporation.

(2) A branch shall not make gifts to a new deposit customer of a greater value than five dollars in total. The value of the gifts shall be the cost to the branch of acquiring said gift.

NEW SECTION. Sec. 18. An approved agency of an alien bank may engage in the business of making loans and guaranteeing obligations for the financing of the international movement of goods and services and for all operational needs including working capital and short-term operating needs and for the acquisition of fixed assets. Other than such activities, such agency may engage only in the following activities:

(1) Borrow funds from banks and other financial institutions;

(2) Buy and sell foreign exchange;

(3) Receive checks, bills, drafts, acceptances, notes, bonds, coupons, and other securities for collection abroad and collect such instruments in the United States for customers abroad;

(4) Hold securities in safekeeping for, or buy and sell securities upon the order and for the risk of, customers abroad;

(5) Act as paying agent for securities issued by foreign governments or other organizations organized under foreign law and not qualified under the laws of the United States, or any state or the District of Columbia to do business in the United States;

(6) In order to prevent loss on debts previously contracted, an agency may acquire shares in a corporation: PROVIDED, That the shares are disposed of as soon as practical, but in no event later than two years from the date of acquisition;

(7) Issue letters of credit and create acceptances;

(8) In addition to the powers and activities expressly authorized by this section, an agency shall have the power to carry on such additional activities which are necessarily incidental to the activities expressly authorized by this section.

NEW SECTION. Sec. 19. All officers and employees of an office shall be subject to the same bonding requirements as are officers and employees of banks incorporated under the laws of this state.

NEW SECTION. Sec. 20. The books and accounts of an office and a bureau shall be kept in words and figures of the English language.

NEW SECTION. Sec. 21. (1) Application procedure. An alien bank shall not establish and operate a bureau in this state unless it is authorized to do so and unless it has met the following

conditions:

(a) It has filed with the supervisor an application in such form and containing such information as shall be prescribed by the supervisor;

(b) It has paid the fee required by law and established by the supervisor pursuant to RCW 30.08.095;

(c) It has received from the supervisor his certificate authorizing the applicant bank to establish and operate a bureau in conformity herewith.

(2) Upon receipt of the bank's application, and the conducting of such examination or investigation as the supervisor deems necessary and appropriate and being satisfied that the opening of such bureau will be consistent with the purposes of this chapter, the supervisor may grant approval for the bureau and issue his certificate authorizing the alien bank to establish and operate a bureau in the state of Washington.

NEW SECTION. Sec. 22. If the supervisor approves the application, he shall notify the alien bank of his approval and shall file certified copies of its charter, certificate, or other authorization to do business with the secretary of state and with the recording officer of the county in which the bureau is to be located. Upon such filing, the supervisor shall issue a certificate of authority stating that the alien bank is authorized to operate a bureau in this state at the place designated in accordance with this chapter. No such certificate shall be transferable or assignable. Such certificate shall be conspicuously displayed at all times in the place of business specified therein.

A bureau of an alien bank must commence business within six months after the issuance of the supervisor's certificate: PROVIDED, That the supervisor for good cause shown may extend such period for an additional time not to exceed three months.

NEW SECTION. Sec. 23. An alien bank may have as many bureaus in this state as the supervisor will authorize. A bureau in this state may provide information about services offered by the alien bank, its subsidiaries and affiliates and may gather and provide business and economic information. A bureau may not take deposits, make loans or transact other commercial or banking business in this state.

NEW SECTION. Sec. 24. The supervisor is empowered to examine the bureau operations of an alien bank whenever he deems it necessary. The supervisor shall collect from such alien bank the estimated actual cost of such examination.

NEW SECTION. Sec. 25. An alien bank may operate temporary facilities at trade fairs or other commercial events of short duration without first obtaining the approval of the supervisor:

PROVIDED, That the activities of such temporary facility are limited solely to the dissemination of information: AND PROVIDED FURTHER, If an alien bank engages in such activity, it shall notify the supervisor in writing prior to opening of the nature and location of such facility. The supervisor is empowered to investigate the operation of such temporary facility if he deems it necessary, and to collect from the alien bank the estimated actual cost thereof.

NEW SECTION. Sec. 26. (1) An office of an alien bank shall file the following reports with the supervisor within such times and in such form as the supervisor shall prescribe by rule or regulation:

- (a) A statement of condition of the office;
- (b) A capital position report of the office;
- (c) A consolidated statement of condition of an alien bank.

(2) An office of an alien bank shall publish such reports as the supervisor by regulation may prescribe.

(3) An alien bank operating a bureau in this state shall file a copy of the alien bank's annual financial report with the supervisor as soon as possible following the end of each fiscal year and shall file such other material as the supervisor may prescribe by rule or regulation.

NEW SECTION. Sec. 27. An office of an alien bank shall be taxed on the same basis as are banks incorporated under the laws of this state.

NEW SECTION. Sec. 28. The directors or other governing body of an alien bank and the officers and employees of its office in this state shall be subject to all of the duties, responsibilities and restrictions to which the directors, officers and employees of a bank organized under the laws of this state are subject insofar as such duties, responsibilities and restrictions are not inconsistent with the intent of this chapter. An officer or employee of the office of an alien bank doing business in this state pursuant to this chapter may be removed for the reasons stated and in the manner provided in RCW 30.12.040, as now or hereafter amended.

NEW SECTION. Sec. 29. (1) The supervisor shall have the responsibility for assuring compliance with the provisions of this chapter. An alien bank that conducts business in this state in violation of any provisions of this chapter shall be guilty of a misdemeanor and in addition thereto shall be liable in the sum of one hundred dollars per day that each such offense continues, such sum to be recovered by the attorney general in a civil action in the name of the state.

(2) Every person who shall knowingly subscribe to or make or cause to be made any false entry in the books of any alien bank office or bureau doing business in this state pursuant to this chapter or shall knowingly subscribe to or exhibit any false or

fictitious paper or security, instrument or paper, with the intent to deceive any person authorized to examine into the affairs of any such office or bureau or shall make, state or publish any false statement of the amount of the assets or liabilities of any such office or bureau shall be guilty of a felony.

(3) Every director or member of the governing body, officer, employee or agent of such alien bank operating an office or bureau in this state who conceals or destroys any fact or otherwise suppresses any evidence relating to a violation of this chapter is guilty of a felony.

(4) Any person who transacts business in this state on behalf of an alien bank which is subject to the provisions of this chapter, but which is not authorized to transact such business pursuant to this chapter is guilty of a misdemeanor and in addition thereto shall be liable in the sum of one hundred dollars per day for each day that such offense continues, such sum to be recovered by the attorney general in a civil action in the name of the state.

NEW SECTION. Sec. 30. If the supervisor finds that any alien bank to which he has issued a certificate to operate an office or bureau in this state pursuant to this chapter has violated any law, rule or regulation, or has conducted its affairs in an unauthorized manner, or has been unresponsive to the supervisor's lawful orders or directions, or is in an unsound or unsafe condition, or cannot with safety and expediency continue business, or if he finds that the alien bank's country is unjustifiably refusing to allow banks qualified to do business in and having their principal office within this state to operate offices or similar operations in such country, the supervisor may suspend or revoke the certificate of such alien bank and notify it of such suspension or revocation.

NEW SECTION. Sec. 31. An alien bank licensed to maintain an office or bureau in this state pursuant to this chapter may apply to the supervisor for leave to change the location of its office or bureau. Such applications shall be accompanied by an investigation fee as established in accordance with section 33 of this 1973 amendatory act. Leave for a change of location shall be granted if the supervisor finds that the proposed new location offers reasonable promise of adequate support for the office.

NEW SECTION. Sec. 32. The supervisor shall have power to adopt uniform rules and regulations to govern examination and reports of alien bank offices and bureaus doing business in this state pursuant to this chapter and the form in which they shall report their assets, liabilities, and reserves, charge off bad debts and otherwise keep their records and accounts and otherwise to govern the administration of this chapter.

NEW SECTION. Sec. 33. The supervisor shall collect in

advance from an alien bank for filing its application for an office or a bureau and the attendant investigation, and for such other applications, approvals or certificates provided herein, such fee as shall be established by rules and regulations promulgated pursuant to the administrative procedure act, chapter 34.04 RCW, as now or hereafter amended. The alien bank shall also pay to the secretary of state and the county recording officer for filing instruments as required by this chapter the same fees as are charged general corporations for the filing of similar instruments and also the same license fees as are required of foreign corporations doing business in this state.

NEW SECTION. Sec. 34. (1) Any branch of an alien bank that is conducting business in this state on the effective date of this 1973 amendatory act pursuant to RCW 30.04.300 shall not be subject to the provisions of this chapter, and shall continue to conduct its business pursuant to RCW 30.04.300.

(2) Except as provided in subsection (1) of this section, any alien bank that is conducting business in this state on the effective date of this 1973 amendatory act shall be subject to the provisions of this chapter: PROVIDED, That any such alien bank which has operated an agency or similar operation in this state for at least the five years immediately preceding such effective date shall not be denied a certificate to operate an agency.

Sec. 35. Section 30.40.020, chapter 33, Laws of 1955 as amended by section 6, chapter 136, Laws of 1969 and RCW 30.40.020 are each amended to read as follows:

A bank or trust company having a paid-in capital of not less than five hundred thousand dollars may, with the approval of the supervisor, establish and operate branches in any city or town within the state. A bank or trust company having a paid-in capital of not less than two hundred thousand dollars may, with the approval of the supervisor, establish and operate branches within the limits of the county in which its principal place of business is located. A bank having a paid-in capital of not less than one million dollars may, with the approval of the supervisor, establish and operate branches in any foreign country. The supervisor's approval of a branch within this state shall be conditioned on a finding that the resources in the neighborhood of the proposed location and in the surrounding country offer a reasonable promise of adequate support for the proposed branch and that the proposed branch is not being formed for other than the legitimate objects covered by this title. The supervisor's approval of a branch in a foreign country shall be conditioned on a finding that the proposed location offers a reasonable promise of adequate support for the proposed branch, that the proposed branch is not being formed for other than the legitimate

objects covered by this title, and that the principal purpose for establishing such branch is to aid in financing or facilitating exports and/or imports and the exchange of commodities with any foreign country or the agencies or nationals thereof.

The aggregate paid-in capital stock of every bank or trust company operating branches shall at no time be less than the aggregate of the minimum capital required by law for the establishment of an equal number of banks or trust companies in the cities or towns wherein the principal office or place of business of such bank or trust company and its branches are located.

No bank or trust company shall establish or operate any branch, except a branch in a foreign country, in any city or town outside the city or town in which its principal place of business is located in which any bank, trust company or national banking association regularly transacts a banking or trust business, except by taking over or acquiring an existing bank, trust company or national banking association or the branch of any bank, trust company or national banking association operating in such city or town.

Sec. 36. Section 30.04.290, chapter 33, Laws of 1955 as amended by section 1, chapter 20, Laws of 1961 and RCW 30.04.290 are each amended to read as follows:

A foreign corporation, whose name contains the words "bank," "banker," "banking," or "trust," or whose articles of incorporation empower it to do a banking or trust business and which desires to engage in the business of loaning money on mortgage securities or in buying and selling exchange, coin, bullion or securities in this state may do so, but only upon filing with the supervisor and with the secretary of state a certified copy of a resolution of its governing board to the effect that it will not engage in banking or trust business in this state, which copy shall be duly attested by its president and secretary. Such corporation shall also comply with the general corporation laws of this state relating to foreign corporations doing business herein. Nothing herein shall prevent operations by an alien bank in this state in conformance with this 1973 amendatory act; nor after the effective date of this 1973 amendatory act authorize the transaction of business in this state by an alien bank in any manner except in accordance with the provisions of this 1973 amendatory act.

NEW SECTION. Sec. 37. There is added to Title 30 RCW a new chapter to read as set forth in sections 1 through 34 of this 1973 amendatory act.

NEW SECTION. Sec. 38. If any provision of this 1973 amendatory act, or its application to any person or circumstance is held invalid, the remainder of this 1973 amendatory act, or the application of the provisions to other persons or circumstances shall

not be affected.

Passed the House March 28, 1973.

Passed the Senate April 8, 1973.

Approved by the Governor April 20, 1973.

Filed in Office of Secretary of State April 23, 1973.

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CHAPTER 54  
[House Bill No. 438]  
FEDERAL DEPOSIT INSURANCE CORPORATION--  
BANK RECEIVERSHIP AUTHORITY

AN ACT Relating to financial institutions; adding new sections to chapter 30.44 RCW; and adding new sections to chapter 32.24 RCW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Section 1. There is added to chapter 30.44 RCW a new section to read as follows:

The federal deposit insurance corporation is hereby authorized and empowered to be and act without bond as receiver or liquidator of any bank or trust company the deposits in which are to any extent insured by that corporation and which shall have been closed on account of inability to meet the demands of its depositors. In the event of such closing, the supervisor of banking may appoint the federal deposit insurance corporation as receiver or liquidator of such bank or trust company. If the corporation accepts such appointment, it shall have and possess all the powers and privileges provided by the laws of this state with respect to a liquidator of a bank or trust company, its depositors and other creditors, and be subject to all the duties of such liquidator, except insofar as such powers, privileges, or duties are in conflict with the provisions of the federal deposit insurance act, as now or hereafter amended.

NEW SECTION. Sec. 2. There is added to chapter 30.44 RCW a new section to read as follows:

The pendency of any proceedings for judicial review of the supervisor's actions in taking possession and control of a bank or trust company and its assets for the purpose of liquidation shall not operate to defer, delay, impede, or prevent the payment or acquisition by the federal deposit insurance corporation of the deposit liabilities of the bank or trust company which are insured by the corporation. During the pendency of any proceedings for judicial